

This policy is issued by:

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
175 WATER STREET, 18TH FLOOR
NEW YORK, NY 10038

DECLARATIONS

PART 2

Policy Number AV 042834156-01

Previous Policy Number NEW

This page with "Policy Provisions -- Part 1" Form CAV01 (1/05) and all endorsements attached hereto completes this numbered aviation **physical damage** and liability policy, issued by the company as indicated above (hereinafter called the Company).

ITEM 1. NAMED INSURED **STATE OF MONTANA**

ADDRESS 1625 EAST 11TH AVENUE
HELENA, MT 59620

ITEM 2. Policy Period: From JULY 1, 2011 to JULY 1, 2012 12:01 A.M. Standard Time at the address in Item 1. The insurance afforded is only with respect to such and so many of the following coverages as are indicated by specified premium charge or charges. The limit of the Company's liability against such coverage shall be as stated herein, subject to all of the terms of this policy having reference thereto. If more than one **aircraft** is insured hereunder, the terms of this policy shall apply separately to each.

ITEM 3. Liability Coverages		LIMITS OF LIABILITY		LIABILITY PREMIUMS
		EACH PERSON	EACH OCCURRENCE	
A. Bodily Injury -- excluding Passengers	\$		\$	
B. Property Damage		X X X X		
C. Passenger Liability				
D. Single Limit -- IN cluding Passengers with Passenger Liability limited internally to:		X X X X	10,000,000. X X X X	62,113.
E. Medical Expense -- EX cluding Crew				
INCLUDING WAR (\$6,207.) AND TRIA LIABILITY (\$3,727.)		LIAB. TOTAL \$		72,047.

ITEM 4. Description of Aircraft and Physical Damage Coverage hereunder:								DEDUCTIBLES	
F.A.A. CERT. NO.	MAKE AND MODEL	YEAR BUILT	SEATS		INSURED VALUE	PHYSICAL DAMAGE COV.	PHYSICAL DAMAGE PREMIUMS	NOT IN MOTION	IN MOTION, INGESTION, OR MOORING
			Crew	Pass excl Crew					
	AS ENDORSED				\$		\$	\$	\$

PHYSICAL DAMAGE Coverage Identified		G. Not In Flight.	
F. Ground & Flight.		H. Not In Motion.	
**INCLUDING WAR HULL PREMIUM (\$2,086.)		PHYSICAL DAMAGE POLICY PREMIUM	
		TOTAL \$ 86,327** \$ 158,374.	

ITEM 5. When in flight the aircraft will be operated only by pilots meeting the requirements endorsed in this policy.

ITEM 6. The aircraft will be used only for the purposes indicated by "X" below (see Definitions).

☐ "PLEASURE AND BUSINESS" ☐ "CHARTER/AIR TAXI" ☐ "COMMERCIAL" ☒ AS ENDORSED HEREON

ITEM 7. The **Named Insured** is and shall remain the sole owner of the **aircraft** and the **aircraft** is not subject to any encumbrance other than as indicated herein.

Endorsements and forms forming a part of this policy on its effective date:

SEE ATTACHED FORMS SCHEDULE

Producer MOUNTAIN AIR INSURANCE SERVICES
M00355 P.O. BOX 1918, HAMILTON, MT 59840

Countersigned 8-3-11
At Hamilton MT
By [Signature]
(Authorized Representative)

Approved By [Signature]
(Authorized Representative)
Date of Issue JULY 20, 2011 is

FORMS SCHEDULE

POLICYHOLDER: STATE OF MONTANA

POLICY NO. AV 042834156-01

POLICY PERIOD: From JULY 1, 2011 to JULY 1, 2012

The following forms are attached to the policy at inception.

FORM NUMBER AND VERSION DATE	FORM TITLE
CAV04 (1/05)	DECLARATIONS
CAV01 (1/05)	POLICY PROVISIONS
UE1276 (6/06)	FORMS SCHEDULE
UE353(1/05)	NAMED INSURED ENDORSEMENT
UNCA0741(7/11)	SELF-INSURED RETENTION
CAV110(1/05)	PHYSICAL DAMAGE COVERAGE ENDORSEMENT- SCHEDULE OF AIRCRAFT
CAV347 (1/05)	PILOT WARRANTY ENDORSEMENT
CAV122(1/05)	PURPOSE OF USE ENDORSEMENT
CAV26 (5/08)	BROAD COVERAGE ENDORSEMENT
UNCA0737(7/11)	NON-OWNED AIRCRAFT: LIABILITY ENDORSEMENT
UNCA0738 (7/11)	PROPERTY DAMAGE LIABILITY TO NON-OWNED AIRCRAFT
CAV1120 (8/08)	CANCELLATION AMENDMENT ENDORSEMENT
CAV29 (1/05)	CARGO LIABILITY ENDORSEMENT
CAV108 (1/05)	PERSONAL INJURY EXTENSION
CAV75 (10/08)	PASSENGER VOLUNTARY SETTLEMENTS
CAV1099(5/08)	GOOD EXPERIENCE RETURN UPON RENEWAL (EXCLUDING WAR PREMIUM)
CAV554 (1/05)	FELLOW EMPLOYEE COVERAGE ENDORSEMENT
CAV646 (6/09)	MECHANIC'S TOOLS ENDORSEMENT
CAV834 (5/08)	KNOWLEDGE OF OCCURRENCE AND FAILURE TO REPORT ENDORSEMENT
UE882 (1/05)	ASBESTOS EXCLUSION ENDORSEMENT
UE48B (1/05)	WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (AVIATION)
UE1066 (3/08)	TERRORISM EXCLUSION - CERTIFIED ACTS
UE857(2/08)	EXCLUSION DELETION ENDORSEMENT
UE52E(1/05)	EXTENDED COVERAGE ENDORSEMENT (AVIATION LIABILITIES)
CAV456(1/05)	WAR, HI-JACKING, EXTORTION AND OTHER PERILS EXTENDED COVERAGE ENDORSEMENT
UE46B (1/05)	NOISE AND POLLUTION AND OTHER PERILS EXCLUSION CLAUSE AVN46B
UE38B(1/05)	NUCLEAR RISKS EXCLUSION CLAUSE AVN38B
UE2000A (1/05)	DATE RECOGNITION EXCLUSION CLAUSE AVN2000A
UE2001A (11/05)	DATE RECONITION LIMITED COVERAGE CLAUSE
CAV555(1/05)	SPECIAL EQUIPMENT ENDORSEMENT
52153(8/10)	MONTANA AMENDATORY ENDORSEMENT
CAV556(1/05)	MONTANA FRAUD MISREPRESENTATION AMENDATORY ENDORSEMENT
CAV979(4/08)	CONTRACTUAL LIABILITY- NON SCHEDULED ENDORSEMENT
UE858(2/08)	EXCLUSION DELETION ENDORSEMENT
UE86 (9/07)	MEXICO WARNING
UE1013(6/06)	POLICY HOLDER NOTICE

All other provisions of this policy remain the same.

NAMED INSURED ENDORSEMENT

This policy is amended as follows:

The **Named Insured** and/or Address set forth on the Declarations is extended as follows:

STATE OF MONTANA, FOR ITS DEPARTMENTS & AGENCIES, RISK MANAGEMENT & TORT DEFENSE
DIVISION

All other provisions of this policy remain the same.


This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of
Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 1

Date of Issue 7/20/11 js

UE353 (1/05)

By 
(Authorized Representative)

SELF-INSURED RETENTION
(Per Claim/Occurrence with no Aggregate Limitation)

This policy is amended as follows:

1. The Limits of the Company's Liability for each of the Liability coverages provided by this policy will apply excess of:
 - (i) \$ 750,000. each claim
 - (ii) \$1,500,000. each **occurrence**

Self-Insured Retention (hereinafter referred to as "Retention Amount").

The Retention Amount:

- (a) shall apply only to an **occurrence** covered under this policy
- (b) shall apply separate to each **occurrence**, and
- (c) Shall include all amounts under the DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS Insuring Agreement of the policy

The **Named Insured's** bankruptcy, insolvency or inability to pay the Retention Amount shall not increase our obligations under this policy.

The total Retention Amount for which the **Named Insured** is liable under this endorsement shall not be subject to an aggregate limit.

2. In addition to the **Insured's** duties under the NOTICE OF OCCURRENCE, LOSS, CLAIM OR SUIT Condition of this policy, the **Insured** must notify the **Aviation Managers** in writing as soon as practicable, but not later than sixty (60) days after the **Insured** receives notice of any **Occurrence, Loss**, claim or "suit" involving:
 - (a) a fatality
 - (b) dismemberment or amputation
 - (c) paraplegia or quadriplegia
 - (d) "loss" or impairment of eyesight or hearing, or
 - (e) Any **Loss** which in the **Insured's** reasonable judgement, taking into account past or anticipated DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS cost in connection with the **Loss**, may result in payments equal to or exceeding 50% of the Retention Amount.

3. On a quarterly basis the **Insured** or their **Loss** adjusting representative must provide the **Aviation Managers** with a written summary of all **Occurrences**, claims or "suits" which have or may result in payments within the Retention Amount. This written summary must show:
- (a) the date of the **Occurrence**,
 - (b) the name(s) of the injured person(s) or identification of the damaged property,
 - (c) a description of the injury or damage, and
 - (d) the amount paid or set aside as a reserve, including DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS, resulting from the **Occurrence**, claim or suit.
4. The Company shall have the right but not the duty to participate with the Insured at the Company's own expense in the defense or settlement of any claim or suit seeking damages covered under this policy. In the event of a claim or suit which in the **Aviation Managers** reasonable judgement may result in payments, including DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS, in an amount in excess of the Retention Amount, the **Aviation Managers** may assume control of the defense or settlement of such claim or suit. However, nothing herein will relieve the **Named Insured** from the responsibility for the payment of the Retention Amount.
5. In the event there is other insurance, whether or not collectible, applicable to an **Occurrence**, claim or suit within the Retention Amount, the **Named Insured** will continue to be responsible for the full Retention Amount before the Company's limits of liability under this policy apply.
6. For the purpose of this Endorsement only, the term **Occurrence** shall include an offense giving rise to "personal injury".

All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

Endorsement No. 2

Date of Issue 7/20/11 js

By 
(Authorized Representative)

PHYSICAL DAMAGE COVERAGE ENDORSEMENT

In consideration of INCLUDED premium of \$ INCLUDED , it is agreed that this policy is amended as follows:

The Description of **Aircraft** and **Physical Damage** Coverage set forth in the Declarations is completed to read as follows:

FAA Cert. No.	Make & Model	Year Built	Seats		Insured Value	Phys. Dam. Cov.	Physical Damage Premiums	Deductibles	
			Crew	Pass excl. Crew				Not In Motion	In Motion Ingestion or Mooring
N1095T	HUGHES 500	1980	1	3	\$ 400,000.	F \$	15,860. \$	1,000. \$	5,000.
N151HP	BELL 206A	1971	1	3	N/A	F	N/A	N/A	N/A
N1604Z	MD 500E	1989	1	3	500,000.	F	16,250.	1,000.	5,000.
N1664R	CESSNA 182RG	1978	1	3	90,000.	F	1,082.	NIL	NIL
N28KP	BEECH C90	1979	1	7	1,294,000.	F	5,888.	NIL	NIL
N384M	BELL 206*	1982	1	5	500,000.	H	4,875.	1,000.	5,000.
N391M	CESSNA 185	1965	1	3	190,000.	F	1,643.	NIL	NIL
N392M	BELL 206*	1969	1	5	500,000.	H	4,875.	1,000.	5,000.
N394M	BELL 205*	1964	1	8	265,000.	H	3,152.	1,000.	5,000.
N395M	BELL 205*	1964	1	8	265,000.	H	3,152.	1,000.	5,000.
N398M	BELL 205*	1965	1	8	265,000.	H	3,152.	1,000.	5,000.
N4465Y	PARTENAVIA 68	1983	1	5	300,000.	F	2,048.	NIL	NIL
N447MA	BEECH A36	1975	1	5	150,000.	F	1,404.	NIL	NIL
N4622E	AERO COM 680	1968	1	7	552,300.	F	5,015.	NIL	NIL
N8862Y	PIPER PA-18	1973	1	1	80,000.	F	1,040.	NIL	NIL
N6110A	PIPER PA-18	1979	1	1	80,000.	F	1,040.	NIL	NIL
N6312B	CESSNA 182	1957	1	3	190,000.	F	1,643.	NIL	NIL
N693	BELL 206A-1	1971	1	3	N/A	F	N/A	N/A	N/A
N6962C	BELL OH58C	1968	1	3	N/A	F	N/A	N/A	N/A
N7120	BELL 206A-1	1971	1	3	N/A	F	N/A	N/A	N/A
N387M	BELL UH-1H*	1969	1	8	265,000.	H	3,152.	1,000.	5,000.
N42178	CESSNA T206	1999	1	5	300,000.	F	2,048.	NIL	NIL

* AIRCRAFT HULL IS GRO/RNIM BASIS

PHYSICAL DAMAGE COVERAGE ENDORSEMENT

Description of **Aircraft** and **Physical Damage** Coverage continued:

FAA Cert. No.	Make & Model	Year Built	Seats		Insured Value	Phys. Dam. Cov.	Physical Damage Premiums	Deductibles	
			Crew	Pass excl. Crew				Not In Motion	In Motion Ingestion or Mooring
N4664Y	PIPER PA-18	1971	1	1	\$ 80,000.	F \$	1,040. \$	NIL \$	NIL
N6690N	BELL OH58A	1968	1	3	N/A	F	N/A	N/A	N/A
N388M	BELL UH-1H*	1964	1	8	265,000.	H	3,152.	1,000.	5,000.
N7264X	CESSNA 182	1999	1	3	190,000.	F	1,643.	NIL	NIL

* AIRCRAFT HULL IS GRO/RNIM BASIS


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of
Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 3

Date of Issue 7/20/11 js

By 
(Authorized Representative)

PILOT WARRANTY ENDORSEMENT

This policy is completed as follows:

It is a condition of this insurance that when **in flight**, the **aircraft** will be operated only by pilot(s) specified below.

ANY PILOT AS MAY BE APPROVED BY THE NAMED INSURED'S CHIEF PILOT OR HIS / HER DESIGNEE


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of
Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 4

Date of Issue 7/20/11 js

By 
(Authorized Representative)

PURPOSE OF USE ENDORSEMENT

This policy is amended as follows:

The Purpose of Use set forth in the Declarations is completed as follows:

Purpose of Use shall be only as follows:

ALL USES IN CONNECTION WITH THE OPERATIONS OF THE NAMED INSURED BUT EXCLUDING ANY USE FOR WHICH THE NAMED INSURED OR ANYONE INSURED HEREUNDER EXPECTS TO OR DOES RECEIVE COMPENSATION


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 5

Date of Issue 7/20/11 js

By 
(Authorized Representative)

BROAD COVERAGE ENDORSEMENT

In consideration of additional premium of \$ INCLUDED, it is agreed that this policy is amended as follows:

(Only the clause(s) indicated by an "X" shall apply.)

☒ **AIRWORTHINESS CERTIFICATE**

Exclusion 2. (b) set forth in the policy provisions is deleted.

☒ **AUTOMATIC INSURANCE FOR INCREASED INSURED VALUE**

If the value of the **Aircraft** increases due to **Modification** or additional equipment accomplished during the Policy Period, the Amount of Insurance applicable to the **Aircraft's Physical Damage** coverage shall increase automatically by the cost of such **Modification** or additional equipment provided however that:

- (a) such increase in value is reported to the **Aviation Managers** within thirty (30) days of completion of such **Modification** or additional equipment;
- (b) the maximum automatic increase for which the Company shall be liable shall not exceed 100 % of the insured amount applicable to such **Aircraft** specified in the Declarations before such **Modification** or additional equipment, subject however to a maximum insured of \$2,588,000. whichever is less;
- (c) the **Insured** pays any additional premium when due on account of such increase in insured value.

"**Modification**" as used in this endorsement shall mean a physical change to an **Aircraft** insured for **Physical Damage** by this policy to enhance or improve performance. **Modification** does not include routine or scheduled maintenance.

☒ **BAGGAGE & HANGAR COVERAGES**

Property Damage Coverage is extended to include the following additional coverages:

- (a) direct **Physical Damage** to **Passenger's Baggage** for not more than \$ 5,000. each **Passenger**, any one **Occurrence**;
- (b) **Property Damage** to hangars and the contents thereof, of others, in the care, custody or control of the **Insured**, for not more than \$ 100,000. each **Occurrence**.

This clause does not include coverage for damage to aircraft of others or any **Aircraft** which could be insured elsewhere within this policy.

"**Baggage**" means handbags, suitcases, valises, briefcases and other forms of baggage or personal effects usually carried by travelers, and the contents thereof, but excluding accounts, bills, jewelry, deeds, evidences of debt, letters of credit, passports, documents, coupons, money, credit cards, notes, securities, manuscripts, valuable papers, airline and other tickets.

In addition to the exclusions appearing in the policy to which this endorsement is attached (including those exclusions applicable to all the Liability Coverages), this endorsement does not insure any liability for **Baggage** for:

- (a) loss of use, loss of market, delay, inherent vice, extremes of temperature or pressure, or deterioration;
- (b) **Loss**, damage or expense caused by or resulting from infidelity or dishonesty of any person in the employment or service of the **Insured**;

(c) property owned by the **Insured**.

Coverage provided by this paragraph is secondary to and excess over any other valid insurance available and collectible by the **Insured**.

☒ **DEFINITION OF PREMISES**

The definition of **Premises** set forth in the policy is deleted and replaced by the following:

"**Premises**" means such portions of airports and heliports used by the **Named Insured** directly in connection with the ownership, maintenance or use of any **Aircraft** inclusive of **Premises** owned, operated or maintained by the **Named Insured**.

Coverage provided by this paragraph is secondary to and excess over any other valid insurance available and collectible by the **Insured**.

☒ **EMERGENCY OR UNEXPECTED LANDING**

This policy is extended to pay for the reasonable expenses of disassembly and removal of an **Aircraft** insured under this policy from a place of emergency or unexpected landing to the nearest airport, provided that the place of emergency or unexpected landing is inadequate for a safe take-off for flight.

The Company shall not be liable:

- (a) if the **Aircraft** is not insured while **In Flight**,
- (b) for any expense in correcting any mechanical difficulty,
- (c) for any expenses that exceed 25 % of the insured value of the **Aircraft** involved.

If the cost to disassemble, remove and or transport the **Aircraft** equals or exceeds the **Aircraft** insured value or actual cash value the Company will pay a **Total Loss** and all rights to any remaining salvage shall inure to the Company.

☒ **EXTRA EXPENSE FOR RENTING SUBSTITUTE AIRCRAFT**

Only with respect to **Aircraft** insured for Ground and Flight coverage F:

1. The Company will pay the **Named Insured** for the **Extra Expense** caused by an **Occurrence** and arising out of insured **Physical Damage Loss** to an **Aircraft** scheduled in the Declarations.
2. Limit of Liability
\$ 10,000. each day, each **Aircraft**
\$ 50,000. each **Occurrence**, each **Aircraft**
3. The insurance afforded by this endorsement does not apply to:
 - (a) Any expenses incurred within 7 days from the date of **Occurrence**.
 - (b) Any expenses if another similar aircraft is available at no charge.
 - (c) Any expenses if the **Named Insured** acquires through ownership, lease, lease purchase option, or otherwise, a permanent replacement aircraft for the damaged **Aircraft**.
 - (d) Any expenses if the **Aircraft** is a **Total Loss** and the Company has offered the **Named Insured** a proof of loss.
 - (e) Any expenses incurred after repairs covered under Ground and Flight Coverage F on the insured **Aircraft** have been completed.

- (f) Any expenses incurred after 30 days from the date of **Occurrence**.
- (g) Any expense incurred with respect to any **Aircraft** scheduled below:

"**Extra Expense**" means the costs of leasing or renting a temporary substitute aircraft which exceeds the cost the **Named Insured** would have incurred if the **Named Insured** could have operated the **Aircraft** had it not been damaged.

☒ **EXTRA EXPENSE OF TEMPORARY REPLACEMENT AIRCRAFT PARTS**

Only with respect to **Aircraft** insured for Ground and Flight coverage F:

The Company will pay extra expense, including the direct cost of installation, removal and transportation, incurred by the **Named Insured** for renting or leasing aircraft parts as temporary replacements for aircraft parts:

- 1. damaged and being repaired, or
- 2. destroyed and being permanently replaced,

caused by a **Physical Damage Loss** covered by this policy to an **Aircraft** shown in the Declarations. The Limit of the Company's Liability with respect to this coverage shall not exceed:

\$ 5,000. each **Loss**, regardless of the number of such replacement parts or **Aircraft**. The coverage provided herein shall be in addition to the Limit of Liability shown in the Declarations.

This endorsement does not apply:

- 1. if the time to permanently replace, or to repair and return such part is less than 7 calendar days;
- 2. if the **Aircraft** to which this endorsement applies is a total, constructive total or arranged **Total Loss**;
- 3. to the **Insured's** spare parts;
- 4. to parts under existing rental, lease or exchange agreements;
- 5. to charges for wear, tear or depreciation, damage, **Loss**, loss of use, maintenance, repairs or operating costs;
- 6. to charges incurred after such damaged or destroyed part has been permanently repaired or replaced;
- 7. to charges incurred while such **Aircraft** or temporary replacement part is unusable on account of an Airworthiness Directive, factory Service Bulletin, airworthiness inspection, breakdown, malfunction or unsuitability;
- 8. to charges incurred during the period prior to installation of such temporary part on the **Aircraft** if uninstalled for three (3) days or more.

☐ **HANGARKEEPERS LIABILITY**

The Company will pay on behalf of the **Insured** all sums the **Insured** is legally obligated to pay as damages because of **Property Damage** caused by an **Occurrence** to any transient aircraft but only while such aircraft is not **In Flight** and is in the care, custody and control of the **Insured** for safekeeping, storage or repair.

This coverage shall not apply to:

- (a) any **Aircraft** or parts of any **Aircraft** that is owned by, leased to, rented or loaned to, the **Insured**, partners of the **Insured**, an officer or employee of the **Insured**;
- (b) robes, wearing apparel, personal effects or merchandise;
- (c) any damages due to theft or conversion by the **Insured**, partners of the **Insured**, or an officer or employee of the **Insured**;
- (d) the **Insured's** liability under any agreement to be responsible for damages to any aircraft.

The Limit of Liability with respect to this coverage is \$ _____ each aircraft \$ _____ each **Occurrence** and is subject to a deductible of \$ _____ each aircraft.

The Company's right and duty to defend will end when the Company has used up the applicable limits of insurance in the payment of judgements or settlements under this coverage.

☐ **HOST LIQUOR LIABILITY**

The Company will pay on behalf of the **Insured** all sums which the **Insured** becomes legally obligated to pay as damages because of **Bodily Injury** or **Property Damage** caused by an **Occurrence** during the policy period arising out of the serving or giving of alcoholic beverages at or from the **Insured's Premises** or any **Aircraft** covered by this policy. The insurance provided by this coverage section is excess insurance.

The Limit of Liability with respect to this coverage is \$ _____ aggregate.

☐ **MOBILE EQUIPMENT LIABILITY**

The Company will promptly pay on behalf of the **Insured** all sums the **Insured** becomes legally obligated to pay as damages because of **Bodily Injury** and **Property Damage** caused by an **Occurrence** arising out of the ownership, maintenance or use of **Mobile Equipment**. **Mobile Equipment** shall mean a land vehicle (including any machinery or apparatus attached) that is not subject to motor vehicle registration or is used exclusively on **Premises** owned by or rented to the **Named Insured**, but only while used on **Premises** and in connection with the maintenance or operation of **Aircraft** or **Premises**. The insurance provided by this coverage shall be excess over any other coverage available to the **Insured**.

The Limit of Liability with respect to this coverage is \$ _____ each **Occurrence**.

☒ **PHYSICAL DAMAGE TO SPARE ENGINES, PARTS, AVIONICS AND ACCESSORIES**

Physical Damage coverage is extended to insure aircraft engines, parts, avionics and accessories not attached to or forming a part of any aircraft and being the property of the **Named Insured** or the property of others for which the **Named Insured** is legally liable, against all risks of **Loss** from external cause. In addition to the exclusions applying to **Physical Damage** coverage, the coverage extended by this paragraph does not apply to:

- (a) any property while temporarily detached from any aircraft;
- (b) **Loss** or damage occurring once attaching or installing such property has begun;
- (c) **Loss** or damage occurring during testing, running, attempted operation, or under process unless caused by a peril insured against;
- (d) property forming part of or carried in an **Aircraft** as a spares kit;
- (e) property transported or stored by the **Insured** for a charge;
- (f) mysterious disappearance or shortage disclosed upon taking inventory; but, this Exclusion (f) does not apply to non-delivery of such property;
- (g) latent defect or inherent vice;
- (h) depreciation, delay, loss of market, or loss of use;
- (i) **Loss** or damage to property in the care, custody and control of the **Insured** arising from failure of the **Insured** to protect and preserve the property after a **Loss** from further **Loss**;
- (j) infidelity or dishonesty of any **Insured** or any employee thereof;
- (k) any liability assumed in any agreement assuming the sole negligence of the indemnitee.

The Limit of Liability with respect to this coverage is \$ 250,000. each **Occurrence** subject to a deductible of \$ 1,000. each and every **Loss**.

☒ **POLICY TERRITORY**

The TERRITORY set forth in the Insuring Agreements is amended to read as follows:

This policy applies only to **Bodily Injury** and **Property Damage** which occurs, and to **Physical Damage Losses** to the **Aircraft**, which are sustained during the policy period, while the **Aircraft** is anywhere in the:

WORLD.

☒ **PREMISES MEDICAL COVERAGE**

The Company will pay all reasonable **Medical Expenses** incurred within one (1) year from the date of injury, to or for each person who sustains **Bodily Injury** caused by an **Occurrence** and arising out of the ownership, maintenance or use of the **Premises**. The same exclusions and conditions applicable to **Aircraft Medical Expense** coverage in this policy shall also apply to this coverage.

The Limit of Liability with respect to this coverage is \$ 5,000. each person.

☒ **PRODUCTS LIABILITY - SALE OF AIRCRAFT, AIRCRAFT PARTS, FOOD AND BEVERAGE**

Liability coverage is extended to include all sums which the **Insured** shall become legally obligated to pay for **Bodily Injury** or **Property Damage** caused by an **Occurrence** and arising out of:

- (a) the sale or relinquishment from exclusive written lease by the **Named Insured** of **Aircraft** or aircraft parts;
- (b) the furnishing to others of aircraft fuel or aircraft maintenance services by the **Named Insured** without intentional profit;
- (c) the furnishing to **Passengers** of food and beverage by the **Named Insured** in connection with the operation of **Aircraft** or **Premises**.

This coverage shall apply only if the **Bodily Injury** or **Property Damage** occurs away from **Premises** used by the **Named Insured** and after physical possession of such aircraft, aircraft parts, aircraft fuel, food or beverage has been relinquished to others and such services have been completed.

The Limit of Liability with respect to this coverage is \$ 10,000,000. each **Occurrence** and aggregate and such limit is in addition to the limits for aircraft liability.

☒ **SEARCH AND RESCUE EXPENSES**

DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS Insuring Agreement is extended to include the following additional coverages:

- the cost of runway or **Aircraft** foaming incurred by the **Insured** for minimizing **Loss** under this policy, but not in excess of \$ 100,000. each **Occurrence** for each foaming;
- the actual expenses incurred by the **Insured**, but not to exceed \$ 100,000. any one **Occurrence**, for search and rescue operations performed by or at the request of the **Named Insured**, but only after all governmental and military search and rescue operations have been discontinued. Such expense and cost as provided herein is subject to prior notice and agreement by the Company.

☒ TRIP INTERRUPTION EXPENSE

DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS are extended to include the following expenses incurred as a result of a covered **Physical Damage Loss**:

The Company will promptly reimburse the **Named Insured** for their reasonable expenses of food, travel and lodging of **Passengers** incurred from the place where an **Aircraft** insured hereunder suffers a covered **Physical Damage Loss** to the intended final destination of the **Aircraft**, or back to the place they originally boarded the **Aircraft**, if the trip is discontinued. Coverage hereunder shall not exceed \$ 500. for each **Passenger**, \$ 1,000. each **Occurrence**. The **Named Insured** will provide to the Company duplicate invoices for all covered expenses within thirty (30) days of the date such expenses are incurred.

☒ ADDITIONAL PHYSICAL DAMAGE CLAIM PAYMENT IN THE EVENT OF A TOTAL LOSS

In the event of a **Total Loss** the Company shall pay in addition to the **Physical Damage** claim an amount equal to what the pro rata unearned premium would have been due to the **Insured** had the **Total Loss** of the **aircraft** not occurred.


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 6

Date of Issue 7/20/11 js

By 
(Authorized Representative)

NON-OWNED AIRCRAFT: LIABILITY ENDORSEMENT

In consideration of additional premium of \$ _____ INCLUDED _____, this policy is amended as follows:

1. Such coverage and limits as are afforded by this policy under Coverages A, B, C, D, and E also apply to the **Named Insured** (including any director, executive officer, partner, or employee, agent or stockholder thereof, but only while acting within his or her official duties as such) arising out of the use by or on behalf of the **Named Insured** of **Aircraft** not owned in whole or in part by, registered to, or under a lease agreement with a term of more than one hundred and twenty (120) days to the **Named Insured**.
2. TEMPORARY USE OF SUBSTITUTE AIRCRAFT and USE OF OTHER AIRCRAFT Special Insuring Agreements are deleted.
3. The coverage provided by this endorsement is secondary to and excess over any other valid and collectible insurance available to the **Insured**, except insurance purchased as excess of the coverage provided by this endorsement. If such other insurance is written through the **Aviation Managers**, the total limit of the Company's liability under all such policies shall not exceed the greatest Limit of Liability applicable under any one such policy.
4. This endorsement applies only to the non-owned **Aircraft** indicated by an X to the left of the appropriate paragraph.
 - ☐ (a) Any fixed wing single engine land **Aircraft** bearing a "Standard" category Airworthiness Certificate having no more than _____ total seats.
 - ☐ (b) Any fixed wing land **Aircraft** bearing a "Standard" category Airworthiness Certificate having no more than _____ total seats and having a certificated gross weight not in excess of 12,500 pounds.
 - ☒ (c) Any fixed wing or rotor-wing land **Aircraft** bearing a "Standard" category Airworthiness Certificate having no more than 10 total seats and having a certificated gross weight not in excess of 12,500 pounds.
 - ☐ (d)
5. In addition to the Exclusions applicable to Coverages A, B, C, D, and E, the coverage provided by this endorsement also does not apply:
 - (a) if the Company does not insure all the **Aircraft** owned by, registered to, leased to or under the exclusive control of the **Insured**.
 - (b) to any person or organization with respect to **Aircraft** owned in whole or in part by, registered to, or under a lease agreement with a term of more than thirty (30) days, to such person (or member of his/her household) or organization.
 - (c) to **Physical Damage** or **Property Damage** to, destruction of, or loss of use of non-owned **Aircraft**.

- (d) to claims arising out of any product designed, manufactured, sold, distributed, serviced or handled by an **Insured**.
 - (e) to claims arising out of any **Aircraft** rented to, financed for, or leased to others (or repossessed or reacquired) by any **Insured**, subsidiary, owned or controlled firm thereof.
 - (f) to liability arising out of **Aircraft** insured elsewhere in the policy to which this endorsement is attached.
6. With respect to the coverage provided by this endorsement only, the pilot requirements specified in the Declarations are deleted.


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

Endorsement No. 7

Date of Issue 7/20/11 js

By 
(Authorized Representative)

PROPERTY DAMAGE LIABILITY TO NON-OWNED AIRCRAFT

In consideration of additional premium of \$ INCLUDED , this policy is amended as follows:

1. This policy is extended to apply to those sums which the **Named Insured** shall become legally liable to pay because of **Property Damage** to **Aircraft** of others described in Paragraph 3. below (including the resultant loss of use thereof) being used by or on behalf of the **Named Insured**, provided such **Aircraft** is not registered to, owned in whole or in part by, under a lease of more than a one hundred twenty (120) day term to, or under a lease-purchase option agreement to, the **Named Insured**, or officer, partner, or employee thereof, or a member of the household of any thereof.
2. This insurance shall be secondary to and excess over any other valid and collectible insurance available to the **Insured**. If such other insurance is written through the **Aviation Managers** as primary insurance, then the total limit of the Company's liability under all such policies shall not exceed the greatest Limit of Liability applicable under any one such policy.
3. The coverage provided by this endorsement only applies to the following **Aircraft** indicated by an "X" to the left of the appropriate paragraph:
 - ☐ (a) Any fixed wing single engine land **Aircraft** bearing a "Standard" category Airworthiness Certificate having no more than _____ total seats.
 - ☐ (b) Any fixed wing land **Aircraft** bearing a "Standard" category Airworthiness Certificate having no more than _____ total seats and having a certificated gross weight not in excess of 12,500 pounds.
 - ☒ (c) Any fixed wing or rotor-wing land **Aircraft** bearing a "Standard" category Airworthiness Certificate having no more than 10 total seats and having a certificated gross weight not in excess of 12,500 pounds.
 - ☐ (d)
4. In addition to the Exclusions appearing in the policy, the coverage provided by this endorsement does not apply:
 - (a) if the Company does not insure all the **Aircraft** owned by, registered to, leased to or under the exclusive control of the **Insured**;
 - (b) to any claims arising out of the **Insured's** products manufactured, distributed or handled by any **Insured**;
 - (c) to any liability assumed by the **Insured** except in a written contract with a military or governmental body necessary for the use of any airport, unless endorsed in writing onto the policy;
 - (d) to any **Property Damage** to any material furnished by the **Insured** or to any work performed by the **Insured** out of which an accident or **Occurrence** arises;
 - (e) to claims for **Property Damage** to wearing apparel, personal effects or property of any description owned, rented, controlled or transported by the **Insured** whether or not the **Aircraft** is lost or damaged;

- (f) with respect to any **Aircraft** rented, financed or leased to others by any **Insured**, or repossessed or reacquired by any **Insured**.
- (g) to **Property Damage** to an **Aircraft** due to conversion, embezzlement or secretion by any person or organization with legal right to possession of such **Aircraft** under bailment, lease, conditional sale, purchase agreement, mortgage or other legal agreement that governs the use, sale or lease of the **Aircraft**, nor for any **Property Damage** during or resulting therefrom. This exclusion does not apply to **Property Damage** to such **Aircraft** caused when a renter pilot, renting such **Aircraft** pursuant to a rental agreement, converts, embezzles or secretes the **Aircraft** while it is in the renter pilot's possession provided the **Named Insured** or the renter, lessor or owner of the **Aircraft** are in no way associated with or a participation in such conversion, embezzlement or secretion and have no prior knowledge thereof and have not acquiesced therein;
- (h) to **Property Damage** to tires except where such **Property Damage** is caused by fire, theft, windstorm or vandalism or is the direct result of **Property Damage** covered by this endorsement;
- (i) to **Property Damage** which is due and confined to:
 - (1) wear, tear, deterioration, freezing;
 - (2) any electrical malfunction or failure of any electronic component(s), accessory (ies), or electrically powered equipment;
 - (3) any mechanical, hydraulic, pneumatic, or structural malfunction or failure,

unless any such **Property Damage** in (1), (2) and (3) is the direct result of other **Property Damage** covered by this endorsement.

Damage resulting from electrical malfunction or failure of any electronic components(s), accessory(ies), or electrically powered equipment is considered breakdown of the entire electrical system containing such electronic component(s), accessory(ies) or electrically powered equipment.

Damage resulting from the breakdown, failure or malfunction of an engine component, accessory or part is considered mechanical breakdown of the entire engine.

- (j) to **Property Damage** to turbine aircraft engines and auxiliary power units insured under this policy if such damage is caused by:
 - (1) foreign objects unless a result of Ingestion;
 - (2) heat or temperature change for the operation, attempted operation or shutdown of the engine;

unless any such **Property Damage** is the direct result of other **Property Damage** covered by this endorsement.

5. With respect to the coverage provided by this endorsement only:

- (a) the pilot requirements specified in Item 5 of the Declarations are deleted, and
- (b) Exclusion 7. does not apply.

6. The Company's Limit of Liability with respect to the coverage under this endorsement shall in no event exceed:
\$ 13,000,000. any one **Occurrence**, subject to a deductible amount each **Occurrence** of \$ 5,000.

The **Insured** shall bear the deductible amount.

The above Limit of Liability is included within the policy Limit of Liability applicable to Liability Coverages, and is not in addition thereto.

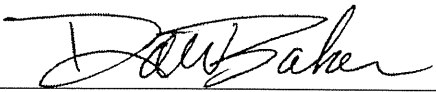
All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

Endorsement No. 8

Date of Issue 7/20/11 js

By 
(Authorized Representative)

CANCELLATION AMENDMENT ENDORSEMENT

This endorsement amends the cancellation condition of this policy as follows:

- (a) The first **Named Insured** shown in the Declarations may cancel this policy by mailing or delivering to the Company or **Aviation Managers** advance written notice of cancellation.
- (b) The Company or **Aviation Managers** may cancel this policy by mailing or delivering to the first **Named Insured** written notice of cancellation at least:
 - (1) 120 days before the effective date of cancellation if the Company or **Aviation Managers** cancel for non-payment of premium; or
 - (2) 10 days before the effective date of cancellation if the Company or **Aviation Managers** cancel for any other reason.
- (c) The Company or **Aviation Managers** will mail or deliver notice to the first **Named Insured's** last mailing address known to the Company or **Aviation Managers**.
- (d) If this policy is cancelled, the **Aviation Managers** will return any premium refund due. If the Company or **Aviation Managers** cancel, the refund will be pro rata. If the first **Named Insured** cancels, the refund may be less than pro rata. The cancellation will be effective even if **Aviation Managers** have not made or offered a refund. The return premium shall be subject to Condition 12.
- (e) If notice is mailed, proof of mailing will be sufficient proof of notice.

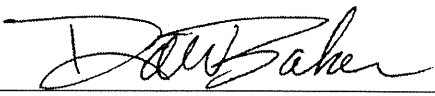
All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 9

Date of Issue 7/20/11 js

By 
(Authorized Representative)

CARGO LIABILITY ENDORSEMENT

In consideration of an additional premium of \$ INCLUDED , this policy is amended as follows:

1. The Company agrees to pay on behalf of the **Named Insured** those sums which the **Named Insured** shall become legally liable to pay (but limited to the **Named Insured's** legal liability under tariff document, airway bill of lading, or shipping receipt, if any) for direct **Physical Damage** or **Loss** from external cause to cargo, caused by an **Occurrence**, but only while in the care, custody and control of the **Named Insured** and only while onboard an **Aircraft** insured by this policy or on an airport **Premises**.

2. **LIMIT OF LIABILITY**

\$ 250,000. each **Occurrence**.

The Limits of Liability under this endorsement are included within the policy Limits of Liability applicable to **Property Damage** Liability and are not in addition thereto.

3. **DEDUCTIBLE AMOUNT**

The **Insured** shall bear the first \$ 1,000. of each claim, but not to exceed \$ 1,000. each **Occurrence**.

4. The insurance afforded under this endorsement shall be secondary to and excess over any other valid and collectible insurance available to the **Insured**.

5. **EXCLUSIONS**

In addition to the exclusions appearing in the policy to which this endorsement is attached (including those exclusions applicable to all the Liability Coverages), this endorsement does not insure any liability for:

- (a) **Loss** of use, loss of market, delay, inherent vice, extremes of temperature or pressure, or deterioration.
- (b) **Loss**, damage or expense caused by or resulting from infidelity or dishonesty of any person in the employment or service of the **Insured**.
- (c) **Loss** in excess of the actual cost of reconstruction of, reproducing or replacing destroyed or damaged manuscripts, notes, securities, accounts, bills, deeds, evidences of debt or other commercial papers or documents of value.
- (d) currency or money.
- (e) property owned or used by the **Named Insured**.
- (f) Baggage.
"Baggage" shall mean handbags, suitcases, valises, briefcases and other forms of baggage usually carried by travelers and the contents thereof.
- (g) bullion, gold, silver, platinum or other precious alloys or metals; furs, fur garments or garments trimmed with fur; jewelry, watches, precious or semiprecious stones or similar valuable property.
- (h) live animals, birds or fish except for (1) theft or (2) death or destruction directly resulting from or made necessary by fire, lightning, windstorm, smoke, explosion, earthquake, flood, or by accident to the **Aircraft** carrying the property.


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 10

Date of Issue 7/20/11 js

By 
(Authorized Representative)

CAV29 (1/05)

PERSONAL INJURY EXTENSION

In consideration of additional premium of \$ INCLUDED , this policy is amended as follows:

This insurance is extended to cover the **Named Insured's** Legal Liability for damages arising out of aircraft operations sustained by any person arising out of one or more of the following offenses committed during the policy period:

1. False arrest, restraint, detention or imprisonment.
2. Malicious prosecution.
3. Wrongful entry, eviction or other invasion of the right of private occupancy.
4. The publication or utterance of a libel or slander or of other defamatory or disparaging material in violation of an individual's right of privacy except publication or utterance in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the **Named Insured**.

The following additional exclusions shall apply to the insurance provided by this extension:

- (a) liability assumed by the **Insured** under any contract or agreement.
- (b) personal injury arising out of the willful violation of penal statute or ordinance, committed by or with the knowledge or consent of the **Named Insured**.
- (c) personal injury arising out of offense 4. above,
 - (i) if the first injurious publication or utterance of the same or similar material was made prior to the effective date of this insurance;
 - (ii) if such publication or utterance was made by or at the direction of the **Named Insured** with the knowledge of the false nature thereof.
- (d) liability for personal injury sustained by any person directly or indirectly related to the past, present or potential employment of such person by the **Named Insured**.

The Limit of Liability applicable to Personal Injury claims shall be \$ 10,000,000. any one offense and in the annual aggregate during the policy period being within the overall policy limit and not in addition thereto.


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 11

Date of Issue 7/20/11 js

By 
(Authorized Representative)

CAV108 (1/05)

PASSENGER VOLUNTARY SETTLEMENTS

In consideration of additional premium of \$ _____ INCLUDED _____, this policy is amended as follows:

The Company shall offer to pay on behalf of an **Insured** those sums requested by the **Named Insured**, to or for the benefit of each covered **Passenger** who sustains **Bodily Injury** caused by an **Occurrence** arising out of the ownership, maintenance, or use of *aircraft* or *non-owned aircraft* by or on behalf of an **Insured**.

If the Company is not permitted by law or statute to pay on behalf of the **Insured**, the Company will indemnify the **Insured** for those sums permitted by law in excess of any other valid and collectible insurance available to the **Insured**.

DEFINITIONS

When used in this endorsement, the terms in italics and bold shall be defined as stated below:

Aircraft means any ***Aircraft*** specifically scheduled and insured by this policy or any aircraft that qualifies as an insured temporary substitute aircraft or any aircraft that qualifies under the automatic attachment for newly acquired aircraft provisions of this policy. ***Aircraft*** specifically excludes any *non-owned aircraft*.

Body part(s) means a hand, foot or eye.

Loss means:

- (a) with respect to the severance of a hand or foot, at or above the wrist or ankle; or
- (b) the entire and irrecoverable loss of sight or an eye.

Non-owned aircraft means any ***Aircraft*** that qualifies as an insured non-owned aircraft in this policy.

Permanent total disability means the inability of the injured **Passenger**, after twelve (12) months of being continuously ***totally disabled***, to perform every duty pertaining to the occupation the person was hired to perform for the rest of that person's life.

Settlement limit means the maximum amount the Company will pay to or for each **Passenger** stated in the Limits of Liability section of this endorsement.

Totally disabled means the complete inability to perform any duty pertaining to one's occupation.

EXCLUSIONS

In addition to the exclusions applicable to liability coverages within the policy provisions, the following exclusions shall also be applicable to coverage provided by this endorsement.

This coverage shall not pay for any claim:

1. To or on behalf of any **Crew** member on any *non-owned aircraft* unless the Declarations states a ***settlement limit*** for *non-owned aircraft* and for **Crew** members and

- (a) the **Crew** members are professional pilots who are regular employees of the **Insured** acting in their capacity as professional pilots; or
 - (b) they are **Crew** members who routinely operate an **aircraft** for an **Insured**, but are operating **non-owned aircraft** on behalf of an **Insured** at the time of the **Occurrence**.
2. Arising out of the use of a **non-owned aircraft** unless a dollar amount is shown in the **settlement limit** for **non-owned aircraft** in the Limits of Liability section of this endorsement.

CONDITIONS

- 1. If requested, the injured **Passenger** or his or her legal representative shall authorize the Company or **Aviation Managers** to obtain his or her medical records.
- 2. If requested, the injured **Passenger** shall submit to physical examination by the physicians selected by the Company or **Aviation Managers** when they may reasonably require before any payment is made.
- 3. All injured **Passengers** or their legal representative(s) shall execute a full release approved by the Company before any payment shall be made by the Company. This shall not apply to recipients of weekly indemnity payments.
- 4. If the injured **Passenger(s)** or their legal representative(s) rejects or does not accept an offer from the **Named Insured** within ninety (90) days of receipt of the offer, or if a claim is made or suit brought by the injured **Passenger** or on his or her behalf, this coverage shall not apply.
- 5. The coverage provided by this endorsement applies to injuries covered by workers compensation, unemployment compensation or disability benefit law or under any similar law. But, the coverage provided by this endorsement may not be used by the **Insured** to satisfy the **Insured's** obligation under workers compensation, unemployment compensation or disability benefit law or under any similar laws.

LIMITS OF LIABILITY

If the **Bodily Injury** is direct and independent of all other causes and results in death, **permanent total disability** or **loss of body parts**:

- (a) the Company shall offer to pay up to the **settlement limit** for death or **permanent total disability** of the **Passenger**;
- (b) the Company shall offer to pay up to the **settlement limit** for **loss** of two or more **body parts**; or
- (c) the Company shall offer to pay up to one-half of the **settlement limit** for **loss** of one **body part**.

Expense Reimbursement for Weekly Indemnity Payments:

If a **Passenger** becomes **totally disabled** due to **Bodily Injury** and qualifies for a **settlement limit**, the Company shall reimburse the **Named Insured** for payments they choose to make to the **totally disabled Passenger** for the loss of earnings as a result of the disability. The Company, however, shall only pay up to eighty percent (80%) of the average weekly wage of the **totally disabled Passenger** but not exceeding the Maximum Weekly Indemnity Limit shown in the **Settlement Limits** in this endorsement. Payments shall be made for the period of continuous **total disability** up to the Maximum Indemnity Period shown in the **Settlement Limits** under this endorsement. If the **totally disabled Passenger** or **Crew** member is the **Named Insured's** employee at the time of the **Occurrence** and is injured in the course and scope of that employment, the **settlement limit** shall be reduced by the amount of any payments that are made under this provision.

SETTLEMENT LIMITS

With respect to an *aircraft*:

Each non-Crew member Passenger \$ 250,000. each Occurrence

Each Crew member Passenger \$ 250,000. each Occurrence

With respect to any *non-owned aircraft*:

Each non-Crew member Passenger \$ 250,000. each Occurrence

Each Crew member Passenger \$ 250,000. each Occurrence

Total all *non-owned aircraft* Crew members
and non-Crew member Passengers combined: \$ 2,250,000. each Occurrence

Maximum Weekly Indemnity Limit \$ 1,250. each Passenger

Maximum Indemnity Period 52 consecutive weeks

These limits are part of, and not in addition to, the limit provided for Coverage A, C, or D, whichever applies to the loss.


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of
Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 12

Date of Issue 7/20/11 js

By 
(Authorized Representative)

**GOOD EXPERIENCE RETURN UPON RENEWAL
(EXCLUDING WAR PREMIUM)**

In consideration of an additional premium of \$ INCLUDED, it is agreed that this policy is amended as follows:

The Company shall return to the **Named Insured** upon renewal of this policy by the **Named Insured** for a twelve (12) month period an amount equal to 15 % of the following:

70 % of the earned premium that is not associated with the purchase of any War Physical Damage or War Liability coverages provided by this policy, less paid claims, reserves, and claims expenses. Such return premium shall be provisional only and shall be subject to further adjustment when the reserves and expenses have been finalized.

AS RESPECTS "ALL RISKS" HULL ONLY


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 13

Date of Issue 7/20/11 js

By 
(Authorized Representative)

CAV1099 (5/08)

FELLOW EMPLOYEE COVERAGE ENDORSEMENT

In consideration of INCLUDED premium of \$ INCLUDED, this policy is amended as follows:

Regardless of anything to the contrary in Exclusion 6. of this policy and in paragraph (a) of the Definition of **Insured**, Liability Coverages of this policy are extended to apply to **Bodily Injury** and **Property Damage** liability claims asserted by an employee of the **Named Insured** against another employee of the same **Named Insured** arising out of the ownership, maintenance or use of the **Aircraft**. This endorsement does not provide coverage to the **Named Insured** for any **Bodily Injury** and **Property Damage** liability claims asserted by employees of the **Named Insured**, and all other provisions of Exclusion 6. and paragraph (a) of the Definition of **Insured** remain in full force and effect.


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 14

Date of Issue 7/20/11 js

By 
(Authorized Representative)

CAV554 (1/05)

MECHANIC'S TOOLS ENDORSEMENT

In consideration of additional premium of \$ INCLUDED, this policy is amended as follows:

INSURING AGREEMENT

This insurance is extended to cover tools of the **Named Insured's** employee mechanics against direct and accidental physical **Loss** or damage from external causes while such tools are in the care, custody and control of the **Named Insured** or such employee while acting within the scope of their duties as an employee of the **Named Insured**.

LIMIT OF LIABILITY

The Company shall not be liable for more than the actual cash value of any tool insured, but in no event shall the Company be liable for more than \$ 25,000. each employee \$ 25,000. each **Occurrence** subject however to a deductible of \$ 5,000. each **Occurrence**, each employee.

EXCLUSIONS

This endorsement does not apply to claims caused by or arising from:

1. wear, tear, deterioration, rust, or inherent vice;
2. delay, depreciation, or loss of use;
3. mechanical, electrical, hydraulic, pneumatic or structural breakdown or failure;
4. artificial electric current;
5. extremes of temperature and humidity;
6. mysterious disappearance or **Loss** or shortage disclosed upon taking inventory;
7. infidelity or dishonesty of the **Named Insured** or anyone in the service of the **Named Insured**;
8. wrongful taking or secretion by any person or organization in lawful possession thereof; or,
9. failure to save and protect such property from further **Loss** or harm after an **Occurrence** to which this endorsement applies.


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 15

Date of Issue 7/20/11 js

By 
(Authorized Representative)

KNOWLEDGE OF OCCURRENCE AND FAILURE TO REPORT ENDORSEMENT

In consideration of additional premium of \$ INCLUDED, this policy is amended as follows:

KNOWLEDGE OF OCCURRENCE

It is agreed that knowledge of an **Occurrence** by an agent, servant or employee of the **Insured** will not in itself constitute knowledge by the **Insured** unless such notice has been received by the **Insured's RISK MANAGER**.

INSURED'S FAILURE TO NOTIFY

The **Insured's** rights under this policy will not be affected if it fails to give notice of an accident or **Occurrence** solely because it reasonably believed that the accident or **Occurrence** was not covered under this policy.

INSURED'S INADVERTENT FAILURE TO REPORT UNDERWRITING INFORMATION

Notwithstanding any other provision(s) of this policy, inadvertent errors or omissions and/or failure in furnishing information, notification or reports required will not prejudice the coverage afforded by this policy provided the **Insured** notifies the Company within a reasonable time after the error or omission is discovered; provided, however, this paragraph does not apply to the **Insured's** obligation to promptly notify and report to the **Aviation Managers** an **Occurrence, Loss**, claim, suit filed, or any other legal action, as required by your policy.

All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 16

Date of Issue 7/20/11 js

By



(Authorized Representative)

CAV834 (5/08)

ASBESTOS EXCLUSION ENDORSEMENT

This policy does not cover any claims of any kind whatsoever directly or indirectly relating to, arising out of or in consequence of:

1. The actual, alleged or threatened exposure to or presence of asbestos in any form whatsoever, including, but not limited to, asbestos fibers or asbestos dust, or any material or product containing, or alleged to contain, asbestos; or
2. Any obligations, request, demand, order, or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, neutralize, protect against or in any other way respond to the actual, alleged or threatened exposure to or presence of asbestos in any form whatsoever, including, but not limited to, asbestos fibers or asbestos dust, or any material or product containing, or alleged to contain, asbestos.

However, the exclusion shall not apply to any claim for asbestos exposure caused by or resulting from a crash, fire, explosion, or collision or a recorded in flight emergency causing abnormal aircraft operations.

Notwithstanding any other provisions of this Policy, Insurers will have no duty to investigate, defend or pay defense costs in respect of any claim excluded in whole or in part under paragraphs 1. or 2. hereof.


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 17

Date of Issue 7/20/11 js

By 
(Authorized Representative)

UE882 (1/05)

WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (AVIATION) AVN48B

This policy is amended as follows:

In the event any of the provisions of this endorsement are in conflict with any provisions, exclusions, conditions or terms forming part of this policy, this endorsement shall take precedence.

This policy does not cover claims caused by:

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power;
- (b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- (c) Strikes, riots, civil commotions or labor disturbances;
- (d) Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional;
- (e) Any malicious act or act of sabotage;
- (f) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil, military or de facto) or public or local authority;
- (g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the aircraft or crew in flight (including any attempt at such seizure or control) made by any person or persons on board the aircraft acting without the consent of the Insured.

Furthermore, this policy does not cover claims arising whilst the aircraft is outside the control of the Insured by reason of any of the above perils.

The aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the aircraft to the Insured at an airfield not excluded by the geographical limits of this policy, and entirely suitable for the operation of the aircraft (such safe return shall require that the aircraft be parked with engines shut down and under no duress).

All other provisions of this policy remain the same.


This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 18

Date of Issue 7/20/11 js

UE48B (1/05)

By 
(Authorized Representative)

TERRORISM EXCLUSION - CERTIFIED ACTS

This insurance does not apply to loss, injury, damage, claim or suit, arising directly or indirectly as a result of an "act of terrorism", which is defined in the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 (collectively, "TRIA") as follows:

(1) ACT OF TERRORISM. -

(A) CERTIFICATION. - The term "act of terrorism" means any act that is certified by the Secretary [of the Treasury], in concurrence with the Secretary of State, and the Attorney General of the United States -

- (i) to be an act of terrorism;
- (ii) to be a violent act or an act that is dangerous to -
 - (I) human life;
 - (II) property; or
 - (III) infrastructure;
- (iii) to have resulted in damage within the United States or outside of the United States in the case of -
 - (I) an air carrier or vessel [described in TRIA]; or
 - (II) the premises of a United States mission; and
- (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

(B) LIMITATION. - No act shall be certified by the Secretary as an act of terrorism if -

- (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
- (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.

(C) DETERMINATIONS FINAL. - Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.

(D) NONDELEGATION. - The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

THE PROVISIONS OF THIS ENDORSEMENT SHALL APPLY SOLELY TO TRIA AND SHALL IN NO WAY AFFECT THE PROVISIONS OF THE WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (AVIATION), FORM NO. AVN48B, OR ANY AMENDMENTS THERETO.


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 19

Date of Issue 7/20/11 js

By 
(Authorized Representative)

UE1066 (3/08)

EXCLUSION DELETION ENDORSEMENT

Physical Damage Coverage (Terrorism Risk Insurance Program Reauthorization Act of 2007)

In consideration of an additional premium of \$ INCLUDED , this policy is amended as follows:

Notwithstanding anything in the policy to the contrary, this endorsement provides the coverages shown below:

Exclusion Deletion

Endorsement UE1066 - entitled Terrorism Exclusion - Certified Acts - is hereby deleted from this policy except as to those aircraft listed below. The deletion of UE1066 shall in no way affect the provisions of the War, Hi-Jacking and Other Perils Clause (Aviation), Form No. AVN48B or any amendments thereto.

Registration Number	Make and Model	Year	Insured Value
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Coverage provided by this endorsement is subject to the terms, exclusions, conditions and limitations of the policy to which it is attached.

All other provisions of this policy remain the same.


This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 20

Date of Issue 7/20/11 js

UE857 (2/08)

By 
(Authorized Representative)

EXTENDED COVERAGE ENDORSEMENT (AVIATION LIABILITIES)

In consideration of an additional premium of \$ INCLUDED , this policy is amended as follows:

The policy of which this Endorsement forms part includes War, Hi-jacking and Other Perils Exclusion Clause AVN48B:

1. With effect from JULY 1, 2011 , all sub-paragraphs other than (b) of War, Hi-jacking and Other Perils Exclusion Clause AVN48B are deleted SUBJECT TO all terms and conditions of this Endorsement.
2. EXCLUSION applicable only to any coverage extended in respect of the deletion of sub-paragraph (a) of War, Hi-jacking and Other Perils Exclusion Clause AVN48B:

Coverage shall not include liability for damage to any form of property on the ground situated outside Canada and the United States of America unless caused by or arising out of the use of aircraft.

3. LIMITATION OF LIABILITY

The limit of the Company's liability in respect of the coverage provided by this Endorsement shall be US\$ 10,000,000. or the applicable policy limit, whichever the lesser, any one occurrence and in the annual aggregate (the "sub-limit"). This sub-limit shall apply within the full policy limit and not in addition thereto.

To the extent coverage is afforded to an Insured under the policy, this sub-limit shall not apply to such Insured's liability:

- (a) to the passengers (and for their baggage and personal effects) of any aircraft operator to whom the policy affords cover for liability to its passengers arising out of its operation of aircraft;
- (b) for cargo and mail while it is on board the aircraft of any aircraft operator to whom the policy affords cover for liability for such cargo and mail arising out of its operations of aircraft.

Notwithstanding any other liability for which coverage is afforded under this policy, coverage provided under this Endorsement shall apply solely to the following:

Coverages A, B, C, and D as stated under INSURING AGREEMENT, Paragraph I, Liability Coverages and SPECIAL INSURING AGREEMENT I, Temporary Use of Substitute Aircraft

4. AUTOMATIC TERMINATION

To the extent provided below, coverage extended by this Endorsement shall TERMINATE AUTOMATICALLY in the following circumstances:

(i) All Coverage

- upon the outbreak of war (whether there be a declaration of war or not) between any two or more of the following countries: France, the People's Republic of China, the Russian Federation, the United Kingdom, the United States of America;

- (ii) Any coverage extended in respect of the deletion of sub-paragraph (a) of War, Hi-jacking and Other Perils Exclusion Clause AVN48B

- upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur and whether or not the insured aircraft may be involved;

- (iii) All coverage in respect of any of the insured aircraft requisitioned for either title or use

- upon such requisition.

PROVIDED THAT if an insured aircraft is in the air when (i), (ii) or (iii) occurs, then the coverage provided by this Endorsement (unless otherwise cancelled, terminated or suspended) shall continue in respect of such an aircraft until completion of its first landing thereafter and any passengers have disembarked.

5. REVIEW AND CANCELLATION

- (a) Review of Premium and/or Geographical Limits (7 Days)

The Company or its Aviation Managers may give notice to review premium and/or geographical limits - such notice to become effective on the expiry of seven days from 23.59 hours G.M.T. on the day on which notice is given.

- (b) Limited Cancellation (48 hours)

Following a hostile detonation as specified in paragraph 4. (ii) above, the Company or its Aviation Managers may give notice of cancellation of one or more parts of the coverage provided by paragraph 1. of this Endorsement by reference to sub-paragraphs (c), (d), (e), (f) and/or (g) of War, Hi-jacking and Other Perils Exclusion Clause AVN48B - such notice to become effective on the expiry of forty-eight hours from 23.59 hours G.M.T. on the day on which notice is given.

- (c) Cancellation (7 Days)

The coverage provided by this Endorsement may be cancelled by either the Company, its Aviation Managers or the Insured by giving notice to become effective on the expiry of seven days from 23.59 hours G.M.T. on the day on which such notice is given.

- (d) Notices

All notices referred to herein shall be in writing.

All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

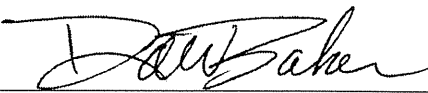
By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 21

Date of Issue 7/20/11 js

UE52E (1/05)

Page 2

By 
(Authorized Representative)

WAR, HI-JACKING, EXTORTION AND OTHER PERILS EXTENDED COVERAGE ENDORSEMENT

In consideration of additional premium of \$ INCLUDED, and notwithstanding anything in the policy to the contrary, this endorsement provides the coverages shown below:

SECTION ONE - LOSS OF OR DAMAGE TO AIRCRAFT

Subject to the terms, conditions and limitations set out below, this endorsement covers physical **Loss** of or damage to the **Aircraft** specified in the Declarations caused by:

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power;
- (b) Strikes, riots, civil commotions or labor disturbances;
- (c) Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the **Loss** or damage resulting therefrom is accidental or intentional;
- (d) Any malicious act or act of sabotage;
- (e) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government, (whether civil, military, or de facto) or public or local authority;
- (f) Hi-jacking or any unlawful seizure or wrongful exercise of control of the **Aircraft** or **Crew In Flight** (including any attempt at such seizure or control) made by any person or persons on board the **Aircraft** acting without the consent of the **Insured**.

Furthermore, this endorsement covers claims whilst the **Aircraft** is outside the control of the **Insured** by reason of any of the above perils (a) through (f). The **Aircraft** shall be deemed to have been restored to the control of the **Insured** on the safe return of the **Aircraft** to the **Insured** at an airfield not excluded by the geographical limits of this endorsement and entirely suitable for the operation of the **Aircraft** (such safe return shall require that the **Aircraft** be parked with engines shut down and under no duress).

SECTION TWO - EXTORTION COVERAGE

The Company agrees to indemnify the **Insured** subject to the provisions below for any payment properly made in respect of threats against the **Aircraft**, its **Passengers**, or **Crew**, made during the currency of this endorsement.

SECTION THREE - HI-JACKING EXPENSE COVERAGE

The Company agrees to indemnify the **Insured** subject to the provisions below, for any payment properly made in respect of extra expenses necessarily incurred following confiscation, etc. (as per Section One Clause (e)) or hi-jacking, etc. (as per Section One Clause (f)) of the **Aircraft**.

SECTION FOUR - GENERAL EXCLUSIONS

This endorsement excludes **Loss**, damage or expense caused by any of the following:

- (a) War (whether there be a declaration of war or not) between any of the following States: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China; nevertheless, if the **Aircraft** is in the air when an outbreak of such war occurs, this exclusion shall not apply in respect of such **Aircraft** until the said **Aircraft** has completed its first landing thereafter;
- (b) Any detonation of any weapon of war employing atomic or nuclear fission and/or fusion, or other like reaction or radioactive force or matter, whether hostile or otherwise;
- (c) Any debt failure to provide bond or security or any other financial cause under court order or otherwise;
- (d) The repossession or attempted repossession of the **Aircraft** either by any title holder or arising out of any contractual agreement to which any **Insured** protected under this endorsement may be party;
- (e) Delay, loss of use, or except as specifically provided in Section Two, any other consequential **Loss** whether following upon **Loss** of or damage to the **Aircraft** or otherwise;

SECTION FIVE - GENERAL CONDITIONS

1. With respect to the Coverages in Section Two and Three:
 - (a) The **Insured** is at all times responsible for ensuring that no arrangements of any kind are made which are not permitted by the proper authorities;
 - (b) The Limits of the Company's liability shall not exceed an amount equal to 90% of the Agreed Value of the **Aircraft** (but not more than \$1,000,000.) for both Section Two and Section Three coverages combined;
 - (c) The **Insured** warrants the remaining 10% of such payments is not insured.
2. The **Insured** shall use all reasonable efforts to ensure that he complies with the laws (local and otherwise) of any country within whose jurisdiction the **Aircraft** may be and to obtain all permits necessary for the lawful operation of the **Aircraft**.

SECTION SIX - SUSPENSION, AUTOMATIC SUSPENSION AND AMENDMENT OF TERMS

Amendment of Terms:

1. The Company may give notice effective on the expiry of seven days from midnight G.M.T. on the day on which notice is issued, to review the rate of premium and/or geographical limits.
2. Automatic Suspension:

Whether or not such notice of suspension has been given, this insurance shall **SUSPEND AUTOMATICALLY** upon the outbreak of war (whether there be a declaration of war or not) between any one of the following countries, namely, the United Kingdom, United States of America, France, the Russian Federation, or the People's Republic of China.
3. Suspension by Notice:
 - (a) This insurance may be suspended by the Company or the **Insured** giving notice not less than seven days prior to the end of each period of three months from inception.

PROVIDED THAT if the **Aircraft** is in the air when such outbreak of war occurs then this insurance, subject to its terms and conditions and provided not otherwise cancelled, terminated or suspended, will be continued in respect of such **Aircraft** until the said **Aircraft** has completed its first landing thereafter.
 - (b) Upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force of matter wheresoever or whensoever such detonation may occur and whether or not the insured **Aircraft** may be involved.

COVERAGE AS PROVIDED UNDER THIS ENDORSEMENT SHALL EXCLUDE ALL REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT OF 2002.

All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 22

Date of Issue 7/20/11 js

By 
(Authorized Representative)

NOISE AND POLLUTION AND OTHER PERILS EXCLUSION CLAUSE AVN46B

This policy is amended as follows:

In the event any of the provisions of this endorsement are in conflict with any provisions, exclusions, conditions or terms forming part of this policy, this endorsement shall take precedence.

1. This policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:
 - (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
 - (b) pollution and contamination of any kind whatsoever,
 - (c) electrical and electromagnetic interference,
 - (d) interference with the use of property;unless caused by or resulting in a crash, fire, explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.
2. With respect to any provision in the policy concerning any duty of the Company to investigate or defend claims, such provision shall not apply and the Company shall not be required to defend:
 - (a) claims excluded by paragraph 1., or
 - (b) a claim or claims covered by the policy when combined with any claims excluded by paragraph 1. (referred to below as "Combined Claims").
3. In respect of any Combined Claims, the Company shall (subject to proof of loss and the limits of the policy) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by the policy:
 - (a) damages awarded against the Insured and
 - (b) defense fees and expenses incurred by the Insured.
4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this policy.

All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 23

Date of Issue 7/20/11 js

UE46B (1/05)

By 
(Authorized Representative)

NUCLEAR RISKS EXCLUSION CLAUSE AVN38B

This policy is amended as follows:

In the event any of the provisions of this endorsement are in conflict with any provisions, exclusions, conditions or terms forming part of this policy, this endorsement shall take precedence.

1. This policy does not cover:

- (i) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (ii) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from:

- (a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- (b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;
- (c) ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.

2. It is understood and agreed that such radioactive material or other radioactive source in paragraph 1. (b) and (c) above shall not include:

- (i) depleted uranium and natural uranium in any form;
- (ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.

3. This policy, however, does not cover loss of or destruction of or damage to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:

- (i) the Insured under this policy is also an insured or an additional insured under any other insurance policy, including any nuclear energy liability policy; or
- (ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or
- (iii) the Insured under this policy is, or had this policy not been issued would be, entitled to indemnification from any government or agency thereof.

4. Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph 2. shall (subject to all other terms, conditions, limitations, warranties and exclusions of this policy) be covered, provided that:

- (i) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereof, such carriage shall in all respects have complied with the full International Civil Aviation Organization "Technical Instructions for the Safe Transport of Dangerous Goods by Air", unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respects have complied with such legislation;
- (ii) this policy shall only apply to an incident happening during the period of this policy and where any claim by the Insured against the Company or by any claimant against the Insured arising out of such incident shall have been made within three years after the date thereof;
- (iii) in the case of any claim for the loss of or destruction of or damage to or loss of use of an aircraft caused by or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

<u>Emitter</u> (IAEA Health and Safety Regulations)	<u>Maximum permissible level</u> <u>of non-fixed radioactive</u> <u>surface contamination</u> <u>(Averaged over 300 cm²)</u>
Beta, gamma and low toxicity alpha emitters	Not exceeding 4 becquerels / cm ² (10 ⁻⁴ microcuries / cm ²)
All other alpha emitters	Not exceeding 0.4 becquerels / cm ² (10 ⁻⁵ microcuries / cm ²)

- (iv) the cover afforded hereby may be cancelled at any time by the Company giving seven days' notice of cancellation.

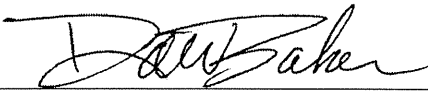
All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 24

Date of Issue 7/20/11 js

By 
(Authorized Representative)

DATE RECOGNITION EXCLUSION CLAUSE AVN2000A

This Policy does not cover any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud or otherwise) of any nature whatsoever arising from or occasioned by or in consequence of (whether directly or indirectly and whether wholly or partly):

- (a) the failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) accurately or completely to process, recognize, exchange or transfer year, date or time data or information in connection with any change of year, date or time;

whether on or before or after such change of year, date or time;

- (b) any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification;
- (c) any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act or decision of the Insured or of any third party related to any such change of year, date or time;

and any provision in this Policy concerning our duty to investigate or defend claims shall not apply to any claims so excluded.


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 25

Date of Issue 7/20/11 js

By 
(Authorized Representative)

UE2000A (1/05)

DATE RECOGNITION LIMITED COVERAGE CLAUSE

Whereas the policy of which this endorsement forms part includes the Date Recognition Exclusion Clause (Clause AVN2000A), it is hereby understood and agreed that, subject to all terms and provisions of this endorsement, clause AVN2000A shall not apply:

1. to any accidental loss of or damage to an aircraft defined in the policy schedule ("Insured Aircraft");
2. to any sums which the Insured shall become legally liable to pay, and (if so required by the Policy) shall pay (including costs awarded against the Insured) in respect of:
 - a. accidental bodily injury, fatal or otherwise, to passengers caused by an accident to an Insured Aircraft; and/or
 - b. loss of or damage to baggage and personal articles of passengers, mail and cargo caused by an accident to an Insured Aircraft; and/or
 - c. accidental bodily injury, fatal or otherwise, and accidental damage to property caused by an Insured Aircraft or by any person or object falling therefrom.

PROVIDED THAT:

1. Coverage provided pursuant to this endorsement shall be subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the policy (except as specifically provided herein), and nothing in this endorsement extends coverage beyond that which is provided by the policy.
2. Nothing in this endorsement shall provide any coverage:
 - a. in respect of grounding of any aircraft; and/or
 - b. In respect of loss of use of any property unless it arises out of physical damage to or destruction of property in the accident giving rise to a claim under the policy.
3. The Insured agrees that it has an obligation to disclose in writing to the Insurers during the policy period any material facts relating to the Date Recognition Conformity of the Insured's operations, equipment and products.

All other provisions of this policy remain the same.

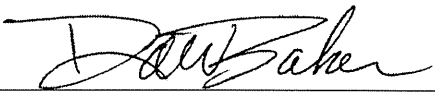
This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 26

Date of Issue 7/20/11 js

UE2001A (11/05)

By 
(Authorized Representative)

SPECIAL EQUIPMENT ENDORSEMENT

In consideration of an additional premium of \$ INCLUDED, this policy is amended as follows:

1. **Physical Damage** Coverage is extended to insure the equipment listed in item 3 below being the property of the **Named Insured**, or property of others for which the **Named Insured** is legally responsible, against all risk of direct and accidental **Physical Damage** or **Loss** from external cause.

The Insured Value of such equipment is in addition to the Insured Value of the **Aircraft** of which it is a part thereof.

2. EXCLUSIONS

In addition to the exclusions in the policy applying to **Physical Damage** Coverage, the coverage extended by this endorsement does not apply to:

- (a) latent defect or inherent vice;
- (b) depreciation, delay, loss of market, or loss of use;
- (c) **Loss** or damage to property in the care, custody and control of the **Insured** arising from failure of the **Insured** to protect and preserve the property after a **Loss** from further **Loss**.

3. LIMIT OF LIABILITY

The Limit of the Company's liability with respect to coverage provided by this endorsement shall not exceed:

Description of Equipment	Insured Value
RC-30 LEICA WILD AERIAL CAMERA AND CAMERA FITTING EQUIPMENT	\$550,000.

Deductibles
\$10,000.

All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 27

Date of Issue 7/20/11 js

By 
(Authorized Representative)

CAV555 (1/05)

MONTANA AMENDATORY ENDORSEMENT

Wherever used in this endorsement: 1) "Insurer" means the insurance company which issued this policy; and 2) "Named Insured", "First Named Insured", and "Insured" mean the Named Corporation, Named Organization, Named Entity, Named Sponsor, Named Insured, or Insured stated in the Declarations page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

The following is added and supercedes any provision to the contrary:

This policy may be cancelled by the Insurer within sixty (60) days after the effective date of the policy without cause. Written notice shall be by first class mail or delivered to the Insured stating when, not less than ten (10) days after mailing or delivery, cancellation shall be effective. This section shall not apply to any renewal policy issued by the Insurer to the Insured.

After this policy has been in effect for sixty (60) days or more, the Insurer shall not cancel the policy prior to the expiration of the agreed term or one year from the effective date of the policy or renewal, whichever is less, except for one or more of the following reasons:

1. For reasons specifically allowed by statute;
2. Failure to pay a premium when due;
3. On grounds stated in the policy which pertain to the following:
 - a) Material misrepresentation;
 - b) Substantial change in the risk assumed, except to the extent that the Insurer should reasonably have foreseen the change or contemplated the risk when the contract was written;
 - c) Substantial breaches of contractual duties, conditions or warranties;
 - d) Determination by the Commissioner that continuation of the policy would place the Insurer in violation of this code;
 - e) Financial impairment of the Insurer; or
 - f) Any other reason approved by the Commissioner.

Written notice shall be by first class mail or delivered to the Insured stating when, not less than ten (10) days after the mailing or delivery, cancellation shall be effective.

The Insurer shall mail or deliver at least forty-five (45) days prior to the expiration date provided in the policy, notice to the Insured that the Insurer does not intend to renew the policy beyond the expiration date.

The Insurer will give notice of premium due by the Insured not more than sixty (60) days or less than thirty (30) days before the due date of a renewal premium. This notice will clearly state the effect of nonpayment of premium on or before the due date.

The nonrenewal provisions do not apply if:

1. the Insured has obtained insurance elsewhere, has accepted replacement coverage, or has requested or agreed to nonrenewal; or
2. the policy is expressly designated as nonrenewable.


All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of
Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 28

Date of Issue 7/20/11 js

By 
(Authorized Representative)

MONTANA FRAUD OR MISREPRESENTATION AMENDATORY ENDORSEMENT

The policy is amended as follows:

The FRAUD OR MISREPRESENTATION Condition is hereby deleted in its entirety and replaced with the following:

The Company will not pay for **Loss** or damage if the **Insured** has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof or in case of any fraud or false swearing by the **Insured** touching any matter relating to this insurance or the subject thereof, whether before or after a **Loss**.

All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 29

Date of Issue 7/20/11 js

CAV556 (1/05)

By 
(Authorized Representative)

CONTRACTUAL LIABILITY - NON SCHEDULED ENDORSEMENT

In consideration of an additional premium of \$ INCLUDED, it is agreed that this policy is amended as follows:

Subject to the Insuring Agreements, Limits of Liability, Conditions and Exclusions of the policy to which this endorsement is attached and of which it forms a part, such insurance as is afforded by the policy with respect to liability assumed under contract applies to that part of a contract or agreement pertaining to aircraft operations under which the **Insured** assumes **Tort Liability** of another party to pay for **Bodily Injury** or **Property Damage** to a third person or organization. Such contracts or agreements are to be reported to the **Aviation Managers** within sixty (60) days after execution, and:

1. once such contract is accepted by the **Aviation Managers**, the **Insured** agrees to pay additional premium, if any; or
2. if such contract is rejected by the **Aviation Managers**, a written notice of such rejection will be sent to the **Insured** stating when, thereafter, such written contract is excluded from this policy.

Notwithstanding any other terms, conditions, limitations or exclusions of this policy, inadvertent failure to report a contract shall not prejudice coverage hereunder so long as such contract is reported to the **Aviation Managers** as soon as it comes to the attention of the risk manager.

Coverage excludes that part of any contract or agreement:

- A. that indemnifies any person or organization for **Bodily Injury** or **Property Damage** arising out of the manufacture of aircraft or aircraft parts; or
- B. that indemnifies any person or organization for **Bodily Injury** or **Property Damage** arising out of any major alteration or repair of an aircraft or aircraft parts; or
- C. which is agreed to orally by the **Named Insured** and another party, unless the contract or agreement is required by a governmental body for the **Named Insured** to use an airport.

All other provisions of this policy remain the same.

This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 30

Date of Issue 7/20/11 js

CAV979 (4/08)

By 
(Authorized Representative)

EXCLUSION DELETION ENDORSEMENT

Liability Coverage (Terrorism Risk Insurance Program Reauthorization Act of 2007)

In consideration of an additional premium of \$ INCLUDED , this policy is amended to provide such coverage as is set forth below:

(A) EXCLUSION DELETION

Endorsement UE1066 - entitled Terrorism Exclusion - Certified Acts - is hereby deleted from this policy. The deletion of UE1066 shall in no way affect the provisions of the War, Hi-Jacking and Other Perils Exclusion Clause (Aviation), Form No. AVN48B, or any amendments thereto.

(B) LIMITATION OF LIABILITY

The limit of the Company's liability for the coverage contemplated by this Endorsement shall be included within and shall not be in addition to the limits of liability provided under this policy.

All other provisions of this policy remain the same.


This endorsement becomes effective JULY 1, 2011 to be attached to and hereby made a part of Policy No. AV 042834156-01 issued to STATE OF MONTANA

By National Union Fire Insurance Company of Pittsburgh, Pa.

Endorsement No. 31

Date of Issue 7/20/11 js

UE858 (2/08)

By 
(Authorized Representative)

MEXICO WARNING

Unless you have automobile or **Aircraft** insurance written by a Mexican insurance company, you may spend many hours or days in jail if you have an accident in Mexico. Insurance coverage should be secured from a company licensed under the laws of Mexico to write such insurance in order to avoid complications and some other penalties possible under the laws of Mexico, including the possible impoundment of your automobile or **Aircraft**.

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of Chartis Inc. The Chartis Inc. member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by Chartis Aerospace Insurance Services, Inc. to brokers and independent agents in the United States by visiting our website at www.chartisinsurance.com/producercompensation or by calling Chartis at 800-706-3102.

This policy is issued by:

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
175 WATER STREET, 18TH FLOOR
NEW YORK, NY 10038

AVIATION POLICY

Policy Provisions - Part 1 - Form CAV01 (1/05)

The Company as shown in Part 2 - Declarations (hereinafter called the Company), in consideration of the payment of the premium, in reliance upon the statements of the Declarations made a part hereof, subject to all of the terms of this policy including the applicable limits of liability, the Company agrees with the **Named Insured** with respect to those coverages indicated in Items 3 and 4 of the Declarations.

INSURING AGREEMENTS

I. LIABILITY COVERAGES

Coverage A - Bodily Injury Liability Excluding Passengers (including any and all **Related Claims**) - To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as damages because of **Bodily Injury** sustained by any person excluding any **Passenger**;

Coverage B - Property Damage Liability - To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as damages because of **Property Damage**;

Coverage C - Passenger Bodily Injury Liability (including any and all **Related Claims**) - To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as damages because of **Bodily Injury** sustained by any **Passenger**,

Coverage D - Single Limit Bodily Injury and Property Damage Liability (including any and all **related claims**) - To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as damages because of **Bodily Injury** sustained by any person (excluding any **Passenger** unless the words "including **Passengers**" appear in Item 3 of the Declarations) and **Property Damage**, caused by an **Occurrence** and arising out of the ownership, maintenance or use of the **Aircraft**; or, only with respect to Coverages A, B, and D, caused by an **Occurrence** and arising out of the maintenance or use of the **Premises** in or upon which the **Aircraft** is stored.

II. MEDICAL EXPENSE COVERAGE

Coverage E - Medical Expense - To pay all reasonable **Medical Expense** incurred within one year from the date of injury, to or for each **Passenger** (excluding any **Crew** unless the words "including **Crew**" appear in Item 3 of the Declarations) who sustains **Bodily Injury** caused by an **Occurrence**, provided the **Aircraft** is being used by or with the permission of the **Named Insured**.

III. PHYSICAL DAMAGE COVERAGES

Coverage F - Ground and Flight - To pay for any **Physical Damage Loss** to the **Aircraft**, including **Disappearance** of the **Aircraft**.

Coverage G - Not In Flight - To pay for any **Physical Damage Loss** to the **Aircraft** sustained while the **Aircraft** is not **In Flight** and which is not the result of fire or explosion following crash or collision while the **Aircraft** was **In Flight**.

Coverage H - Not In Motion - To pay for any **Physical Damage Loss** to the **Aircraft** sustained while the **Aircraft** is not **In Motion** and which is not the result of fire or explosion following crash or collision while the **Aircraft** was **In Motion**.

IV. **DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS**

Coverages A, B, C, and D

The Company shall have the right and duty to defend any suit against the **Insured** seeking damages on account of such **Bodily Injury** or **Property Damage**, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements.

During such time as the Company is obligated to defend a claim or claims under the provisions of the preceding paragraph, the Company will pay with respect to such claim, in addition to the applicable limit of liability:

- (a) all expenses incurred by the Company, all costs taxed against the **Insured** in any suit defended by the Company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the Company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Company's liability thereon;
- (b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the **Insured** because of an **Occurrence** or violation of law or a regulation for civil aviation arising out of the use of the **Aircraft**, not to exceed \$5,000. per bail bond, but the Company shall have no obligation to apply for or furnish any such bonds;
- (c) expenses incurred by the **Insured** for first aid to others at the time of an accident, for **Bodily Injury** to which this policy applies;
- (d) all reasonable expenses incurred by the **Insured** at the Company's request to assist the Company in the investigation or defense of the claim or suit, including actual loss of earnings up to \$250. a day because of time off from work.

V. **UNITED STATES ARMY, NAVY AND AIR FORCE INSURANCE REQUIREMENTS**

Coverages A, B, C, and D

If the **Aviation Managers** issue a Civil Aircraft Certificate of Insurance Form DD 2400, or any replacement thereof, as required by regulations of the U. S. Army, Navy or Air Force, then the insurance policy provisions required by the regulations shall be deemed to be incorporated herein and substituted for any policy provisions inconsistent therewith.

VI. **POLICY PERIOD, TERRITORY**

All Coverages

This policy applies only if:

- (a) The **Bodily Injury**, **Property Damage** or **Physical Damage** is caused by an **Occurrence**, while the **Aircraft** is within the United States of America, Canada, Mexico, the Bahamas, the Caribbean Islands and Central America or enroute between points therein; and
- (b) The **Bodily Injury**, **Property Damage** or **Physical Damage** occurs during the policy period.

VII. TWO OR MORE AIRCRAFT

All Coverages

When two or more **Aircraft** are insured under this policy, the terms of this policy shall apply separately to each.

SPECIAL INSURING AGREEMENTS

(APPLICABLE ONLY IF THE PURPOSE OF USE SHOWN IN ITEM 6 IS LIMITED TO PLEASURE AND BUSINESS)

I. TEMPORARY USE OF SUBSTITUTE AIRCRAFT

Coverages A, B, C, D and E

While the **Aircraft** described in Item 4 of the Declarations is withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction, such insurance as is afforded under Coverages A, B, C, D and E is extended to apply with respect to the use, by or on behalf of the **Named Insured** of any other **Aircraft** not owned in whole or in part by the **Named Insured**, while temporarily used as a substitute therefor.

II. USE OF OTHER AIRCRAFT

Coverages A, B, C, D and E

If the **Named Insured** is one individual or, one individual and spouse, such insurance as is afforded under Coverages A, B, C, D and E with respect to the **Aircraft** described in Item 4 of the Declarations, is extended to apply with respect to the use, by or on behalf of the **Named Insured**, of any other **Aircraft** not owned in whole or in part by, or furnished for regular use to, such **Named Insured** and spouse. The insurance provided by this agreement shall apply only to the **Named Insured** and spouse.

III. AUTOMATIC INSURANCE FOR NEWLY ACQUIRED AIRCRAFT

All Coverages

If the **Named Insured** acquires ownership of an **Aircraft** in addition to or replacement to the **Aircraft** described in Item 4 of the Declarations and within thirty (30) days thereafter reports such acquisition to the **Aviation Managers**, then the insurance afforded by this policy shall apply to such additional or replacement **Aircraft** as of the time of such acquisition, provided that the Company insured all other **Aircraft** owned in whole or in part by the **Named Insured** on such acquisition date. Unless the **Named Insured** and the Company agree otherwise the coverages and limits of liability with respect to said additional or replacement **Aircraft** shall be:

(a) As respects Liability Coverage and **Medical Expense** Coverage

- (i) If an additional **Aircraft**, the same coverages and limits of liability shall apply as the **Aircraft** having the greatest total seating capacity, as described in Item 4 of the Declarations.
- (ii) If a replacement **Aircraft**, the same coverages and limits of liability as the **Aircraft** being replaced.

(b) As respects **Physical Damage** Coverage

- (i) If an additional **Aircraft**, the same coverages, insured value and deductible shall apply as the **Aircraft** having the greatest total seating capacity, as described in Item 4 of the Declarations.
- (ii) If a replacement **Aircraft**, the same coverages, insured value and deductible as the **Aircraft** being replaced.

In no event shall the Company be liable for more than the **Named Insured** paid for any newly acquired additional or replacement **Aircraft**. The **Named Insured** shall pay any additional premium required because of the application of the insurance to such other **Aircraft**.

EXCLUSIONS

This policy does not apply:

1. (a) To any **Insured** while the **Aircraft** is **In Flight** with the knowledge and consent of such **Insured** or of any executive officer, partner, or managing agent of such **Insured** for any unlawful purpose, or any purpose not so designated in the Declarations.
- (b) To **Bodily Injury** or **Property Damage** expected or intended from the standpoint of the **Insured**. This exclusion (b) does not apply to **Bodily Injury** or **Property Damage** resulting from the use of reasonable force to protect persons or property, and to **Bodily Injury** or **Property Damage** resulting from efforts to prevent dangerous interference with the operation of the **Aircraft**.
2. To any **Insured** while the **Aircraft** is **In Flight** with the knowledge and consent of the **Named Insured**
 - (a) if piloted by other than the pilot or pilots designated in the Declarations; or
 - (b) if the Airworthiness Certificate of the **Aircraft** is not in full force and effect.

Exclusion 2. (a) shall not apply while the **Aircraft** is under the care, custody or control of a **Federal Aviation Administration (FAA)** approved repair station for the purpose of maintenance, repair or test flights.

Exclusion 2. (b) shall not apply while the **Aircraft** is operated on a reposition, ferry or test flight provided a special permit or waiver has been granted by a government aviation authority for such flights and such flights are for the sole purpose of reinstatement or renewal of the Airworthiness Certificate.

3. To any damages excluded by the Nuclear Risk Exclusion Clause below.
 - (a) This policy does not cover:
 - (1) **Loss** or destruction of or damage to any property whatsoever or any **Loss** or expense whatsoever resulting or arising therefrom or any consequential **Loss**.
 - (2) any legal liability of whatsoever nature.

directly or indirectly caused by or contributed to by or arising from:

- (a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
 - (b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;
 - (c) ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.
- (b) It is understood and agreed that such radioactive material or other radioactive source in paragraph (a) and (b) above shall not include:

- (1) depleted uranium and natural uranium in any form;
- (2) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.
- (c) This policy, however, does not cover **Loss** of, or destruction of, or damage to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:
 - (1) the **Insured** under this policy is also an **Insured** or an additional insured under any other insurance policy, including any nuclear energy liability policy; or
 - (2) any person or organization is required to maintain financial protection pursuant to legislation in any country; or
 - (3) the **Insured** under this policy is, or had this policy not been issued would be, entitled to indemnification from any government or agency thereof.

4. To claims caused by

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- (b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (c) Strikes, riots, civil commotions or labor disturbances.
- (d) Any act of one or more person, whether or not agents of a sovereign Power, for political or terrorist purposes and whether the **Loss** or damage resulting therefrom is accidental or intentional.
- (e) Any malicious act or act of sabotage.
- (f) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil, military or de facto) or public or local authority.
- (g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the **Aircraft** or **Crew In Flight** (including any attempt at such seizure or control) made by any person or persons on board the **Aircraft** acting without the consent of the **Insured**.

Furthermore this policy does not cover claims arising while the **Aircraft** is outside the control of the **Insured** by reason of any of the above perils. The **Aircraft** shall be deemed to have been restored to the control of the **Insured** on the safe return of the **Aircraft** to the **Insured** at an airfield not excluded by the geographical limits of this policy, and entirely suitable for the operation of the **Aircraft** (such safe return shall require that the **Aircraft** be parked with engines shut down and under no duress).

5. Under Coverages A, B, C, D and E

- (a) To any liability for which the **Insured** is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
 - (1) that the **Insured** would have in the absence of a contract or agreement; or

(2) assumed in an **Insured Contract**, provided the **Bodily Injury** or **Property Damage** occurs subsequent to the execution and prior to the termination of the **Insured Contract**.

(b) To an **Insured** under this policy who is also an **Insured** under a contract of nuclear energy liability insurance issued by the Nuclear Energy Liability Insurance Association or the Mutual Atomic Energy Liability Underwriters and in effect at the time of the **Occurrence** resulting in such injury, sickness, disease, death or destruction; provided, such contract of nuclear energy liability insurance shall be deemed to be in effect at the time of such **Occurrence** notwithstanding such contract has terminated upon exhaustion of its limit of liability;

(c) (1) To claims directly or indirectly occasioned by, happening through or in consequence of:

(a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,

(b) pollution and contamination of any kind whatsoever,

(c) electrical and electromagnetic interference,

(d) interference with the use of property,

unless caused by a crash or collision of **Aircraft** or a recorded **In Flight** emergency causing abnormal **Aircraft** operation.

(2) With respect to any provision in the policy concerning any duty of the Company to investigate or defend claims, such provision shall not apply and the Company shall not be required to defend:

(a) claims excluded by paragraph (c) (1) or

(b) a claim or claims covered by the policy when combined with any claims excluded by paragraph (c) (1) referred to below as "Combined Claims."

(3) In respect of any Combined Claims, the Company shall (subject to proof of loss and the limits of the policy) reimburse the **Insured** for that portion of the following items, which may be allocated to the claim or claims covered by the policy:

(a) damages awarded against the **Insured** and

(b) defense fees and expenses incurred by the **Insured**.

(d) To claims in respect of death, **Bodily Injury**, illness or disease to any person or persons and/or damage to or destruction of property caused by or resulting from the application of or use by the **Insured** or his agent of all forms of fertilizers, fungicides, defoliants, herbicides, hormone selective weed killers, pesticides, insecticides and arsenical preparations or compounds or any other forms of chemical.

Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this policy.

6. Under Coverages A, C and D

(a) To any obligation for which the **Insured** or any carrier as his insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;

- (b) To **Bodily Injury** to any employee of the **Named Insured** arising out of and in the course of his employment by such **Named Insured**; but this exclusion (b) does not apply to liability assumed by the **Named Insured** under any **Insured Contract** that is a prerequisite for the use of an airport or airport facility;
 - (c) To **Bodily Injury** or death of any person who is a **Named Insured**.
7. Under Coverages B and D, to **Property Damage** to property owned, occupied, rented or used by the **Insured** or in the care, custody or control of the **Insured** or as to which the **Insured** is for any purpose exercising physical control or transported by the **Insured**.
8. Under Coverages F, G and H
- (a) to **Loss** or damage to an **Aircraft** due to conversion, embezzlement or secretion by any person or organization with legal right to possession of such **Aircraft** under bailment, lease, conditional sale, purchase agreement, mortgage or other legal agreement that governs the use, sale or lease of the **Aircraft**, nor for any **Loss** or damage during or resulting therefrom. This exclusion does not apply to **Loss** or damage to such **Aircraft** caused when a renter pilot, renting such **Aircraft** pursuant to a rental agreement, converts, embezzles or secretes the **Aircraft** while it is in the renter pilot's possession provided the **Named Insured** or the renter, lessor or owner of the **Aircraft** are in no way associated with or a participant in such conversion, embezzlement or secretion and have no prior knowledge thereof and have not acquiesced therein;
 - (b) to **Loss** or damage to tires except where such **Loss** or damage is caused by fire, theft, windstorm or vandalism or is the direct result of **Physical Damage** covered by this policy;
 - (c) to **Loss** or damage which is due and confined to
 - (1) wear, tear, deterioration, freezing;
 - (2) any electrical malfunction or failure of any electronic component(s), accessory(ies), or electrically powered equipment;
 - (3) any mechanical, hydraulic, pneumatic, or structural malfunction or failure,unless any such **Loss** or damage in (1), (2) and (3) is the direct result of other **Physical Damage** covered by this policy.

Damage resulting from electrical malfunction or failure of an electrical component(s), accessory(ies), or electrically powered equipment is considered breakdown of the entire electrical system containing such electronic component(s), accessory(ies), or electrically powered equipment.

Damage resulting from the breakdown, failure or malfunction of any engine component, accessory or part is considered mechanical breakdown of the entire engine.
 - (d) to **Loss** or damage to turbine aircraft engines and auxiliary power units insured under this policy if such damage is caused by:
 - (1) foreign objects unless a result of **Ingestion**;
 - (2) heat or temperature change from the operation, attempted operation or shutdown of the engine;unless any such **Loss** or damage is the direct result of other **Physical Damage** covered by this policy.

LIMIT OF THE COMPANY'S LIABILITY

ALL COVERAGES (Other Insurance)

Except with respect to insurance afforded by Special Insuring Agreements I and II and to insurance specifically purchased by the **Insured** to apply in excess of this policy, if there is other insurance in the **Insured's** name or otherwise, against **Loss**, liability or expense covered by this policy, the Company shall not be liable under this policy for a greater proportion of such **Loss**, liability or expense than the applicable limit of the Company's liability bears to the total applicable limit of liability of all valid and collectible insurance against such **Loss**, liability or expense. Insurance afforded by Special Insuring Agreements I and II shall be excess insurance over any other valid and collectible insurance available to the **Insured**, either as **Insured** under a policy applicable to the **Aircraft** or otherwise and if such other insurance shall have been written through the **Aviation Managers** as primary insurance then the Company's limits of liability under this policy shall be reduced by the applicable limits of such other policy.

COVERAGES A, B, C AND D (Total Liability)

Regardless of the number of (1) **Insureds** under this policy, (2) persons or organizations who sustain **Bodily Injury** or **Property Damage**, (3) claims made or suits brought (related or otherwise) on account of **Bodily Injury** or **Property Damage**, or (4) **Aircraft** to which this policy applies, the Company's liability is limited as follows:

Coverage A. The total liability of the Company for all damages, including all **Related Claims** and all damages for care and loss of services, because of **Bodily Injury** sustained by any person as the result of any one **Occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each person". Subject to the above provision respecting "each person", the total liability of the Company for all damages, including all **Related Claims** and all damages for care and loss of services, because of **Bodily Injury** sustained by two or more persons as the result of any one **Occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each **Occurrence**".

Coverage B. The total liability of the Company for all damages because of all **Property Damage** sustained by one or more persons or organizations as the result of any one **Occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each **Occurrence**".

Coverage C. The total liability of the Company for all damages, including all **Related Claims** and all damages for care and loss of services, because of **Bodily Injury** sustained by any person as the result of any one **Occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each person". Subject to the above provision respecting "each person", the total liability of the Company for all damages, including all **Related Claims** and all damages for care and loss of services, because of **Bodily Injury** sustained by two or more persons as the result of any one **Occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each **Occurrence**".

Coverage D. The total liability of the Company for all damages, including all **Related Claims** and all damages for care and loss of services, because of **Bodily Injury** or **Property Damage** sustained by one or more persons or organizations as the result of any one **Occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each **Occurrence**".

And further provided that if the Declarations are completed to show "**Passenger** Liability limited internally to", the total liability of the Company for all damages, including all **Related Claims** and all damages for care and loss of service because of **Bodily Injury** to **Passengers** and **Crew** shall not exceed:

- (a) as respects any one **Passenger** or **Crew** member, the amount stated in the Declarations as applicable to "each person".
- (b) as respects two or more **Passengers** or **Crew** members, subject to the above provisions respecting any one **Passenger** or **Crew** member, the amount stated in the Declarations as applicable to "each person" multiplied by the total number of **Passenger** and **Crew** seats as stated in Item 4 for the **Aircraft** involved, but in no event shall the Company's Liability for all **Bodily Injury** (including **Passenger Bodily Injury**) and **Property Damage** exceed the limits stated in the Declarations as applicable to "each **Occurrence**".

For the purpose of determining the limit of the Company's liability, all **Bodily Injury** and **Property Damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **Occurrence**.

COVERAGES A, B, C and D **(Severability of Interests)**

The insurance afforded applies separately to each **Insured** against whom claim is made or suit is brought, except with respect to the limits of the Company's liability.

COVERAGE E **(Total Liability)**

The limit of liability stated in the Declarations as applicable to "each person" is the limit of the Company's liability for all expenses incurred by or on behalf of each person who sustains **Bodily Injury** in any one **Occurrence**; the limit of liability stated in the Declarations for Coverage E as applicable to "each **Occurrence**" is, subject to the above provision respecting each person, the total limit of the Company's liability for all expenses incurred by or on behalf of two or more persons who sustain **Bodily Injury** in any one such **Occurrence**.

COVERAGES F, G and H **(Total Liability)**

With respect to **Total Loss**, the Company will pay the insured value of the **Aircraft**, as stated in the Declarations, subject to any applicable deductible.

With respect to **Partial Loss**, the Company may pay for the least expensive and most reasonable means to repair the **Aircraft** or may pay for the **Loss** in money, subject to any applicable deductible, as hereinafter provided:

1. if repairs are made by other than the **Named Insured**, the total of the following:
 - (a) cost to repair the damaged property with material of like kind and quality (excluding any charges for overtime);
 - (b) cost of the least expensive and most reasonable method of transporting new and/or damaged parts and/or the damaged **Aircraft** to the place of repair and the return of the repaired **Aircraft** to the place where the **Loss** occurred or the place where the **Aircraft** is regularly based, whichever is nearer;
2. if repairs are made by the **Named Insured**, the total of the following:
 - (a) actual cost to the **Insured** of material of like kind and quality;
 - (b) actual wages paid for labor, excluding any overtime;
 - (c) 150% of item (b) in lieu of overhead and supervisory services;

- (d) cost of the least expensive and most reasonable method of transporting new and/or damaged parts and/or the damaged **Aircraft** to the place of repair and the return of the repaired **Aircraft** to the place where the **Loss** occurred or the place where the **Aircraft** is regularly based, whichever is nearer.

With respect to any **Partial Loss** or **Total Loss**:

1. the amount due under this policy shall not exceed the amount due were the **Loss** payable as a **Total Loss**;
2. any salvage value remaining shall inure to the benefit of the Company and the **Named Insured** shall provide clear title thereto;
3. any equipment attached to the **Aircraft**, even if subsequent to the effective date of coverage, shall be considered a part of the **Aircraft**;
4. there shall be no abandonment of any damaged property without the consent of the Company.

If the **Loss** is due to theft or **Disappearance**, the Company shall have the right to return any found stolen property at any time prior to actual payment of the claim hereunder, with payment for any **Physical Damage** sustained thereto.

As available, the Company will pay for repair or replacement of like, kind and quality. The Company will not pay excess of like, kind and quality amounts for the cost of **Betterment**.

DEFINITIONS

When appearing in this policy in bold face print:

"**Aircraft**" means the aircraft described in Item 4 of the Declarations (and when appropriate any aircraft qualifying under the provisions of Special Insuring Agreements I, II or III) including the propulsion system and equipment usually installed in the aircraft (1) while installed in the aircraft, (2) while temporarily removed from the aircraft and (3) while removed from the aircraft for replacement until such time as replacement by a similar item has commenced; also tools and equipment which are specially designed for the aircraft and which are ordinarily carried therein.

"**Aviation Managers**" means Chartis Aerospace Insurance Services, Inc., or any of its subsidiary or affiliated companies, branch offices or authorized representatives.

"**Betterment**" means improvement which would add value to the **Insured Aircraft**.

"**Bodily Injury**" means bodily injury, sickness, disease or mental anguish sustained by any person which occurs during the policy period, including death at any time resulting therefrom.

"**Charter/Air Taxi**" means used principally in the business of the **Insured**, including **Passenger** or freight carrying for hire or reward and **Pleasure and Business** uses, but excluding instruction of or rental to others.

"**Commercial**" means used principally in the business of the **Insured**, including student instruction, **Passenger** or freight carrying for hire or reward, rental to others for the purpose of **Pleasure and Business** and those uses defined under **Pleasure and Business**.

"**Crew**" means the pilot-in-command, co-pilot, flight engineer, flight attendant or anyone else who is in, on, or boarding the **Aircraft** for assisting in the operation of the **Aircraft**.

"**Disappearance**" means missing **In Flight** and not reported for sixty (60) days after commencing a flight.

"Federal Aviation Administration (FAA)" means the duly constituted authority of the United States of America having jurisdiction over civil aviation, or its duly constituted equivalent in any other country.

"In Flight" means, with respect to fixed wing **Aircraft**, the time commencing with the actual take-off run of the **Aircraft** and continuing thereafter until it has completed its landing run; and if the **Aircraft** is a rotorcraft, from the time the rotors start to revolve under power for the purpose of flight until they subsequently cease to revolve after landing; and if the **Aircraft** is a balloon, while it is inflated or being inflated or deflated.

"In Motion" means while the **Aircraft** is moving under its own power or the momentum generated therefrom or while it is **In Flight** and, if the **Aircraft** is a rotorcraft, any time that the rotors are rotating or while it is **In Flight** and, if the **Aircraft** is a glider or balloon, any time it is being transported, towed or while it is **In Flight**.

"Ingestion" means damage to **Aircraft** turbine engines or turbine auxiliary power units, if a part of the **Aircraft**, caused by objects or substances not a part of the engine or its accessories, nor intended to be used in the engine, which occurs during the policy period and is the result of a single incident and of sufficient severity to require (or would require if its severity were known) immediate repair before further use.

"Insured" the unqualified word **"Insured"** wherever used in this policy with respect to Coverages A, B, C and D, includes not only the **Named Insured** but also any person while using or riding in the **Aircraft** and any person or organization legally responsible for its use, provided the actual use is with the express permission of the **Named Insured**. Except with respect to the **Named Insured** the provisions of this paragraph do not apply:

- (a) to any employee with respect to **Bodily Injury**, sickness, disease or death of another employee of the same employer injured in the course of such employment;
- (b) to any person or organization or to any agent or employee thereof (other than any employee of the **Named Insured** while acting in the course of his employment by the **Named Insured**):
 - (1) who manufactures, builds, sells or distributes aircraft, aircraft engines, aircraft components, aircraft accessories or fuel used in aircraft;
 - (2) who is engaged in the operation of an aircraft repair shop, aircraft sales agency, aircraft rental service, aircraft flying school, aircraft management service, aircraft aerial application service, aircraft inspection, appraisal, certification or examination service, commercial flying service, airline, airport, hangar, pilot training center or charter brokerage service;
 - (3) who is engaged in the activity of instruction, evaluation, examination or certification of any pilot or **Crew Member** or prospective pilot or **Crew Member**;
 - (4) who is charging a fee and/or receiving any remuneration or benefit for providing any type of service whatsoever in connection with the ownership, maintenance or use of any insured **Aircraft**;
- (c) to any person or organization operating the **Aircraft** under the terms of any rental agreement or training program which provides any remuneration to the **Named Insured** for the use of said **Aircraft**;
- (d) to the owner or lessor, or any agent or employee thereof, of any **Aircraft** which is the subject of the extended insurance provisions of Special Insuring Agreements.

"Insured Contract" means:

- (a) Any contract which requires as a prerequisite of the use of an airport or airport facility the indemnification of a military or governmental authority, except in connection with work performed for the military or governmental authority;

- (b) that part of any contract or agreement pertaining to ownership maintenance or use of **Aircraft** or **Premises** under which any Insured assumes the **Tort Liability** of another party to pay for **Bodily Injury** or **Property Damage** to a third person or organization.

Insured Contract does not include that part of any contract or agreement:

- (a) with or for the benefit of any **Passenger**, **Crew Member** or their heirs;
- (b) that pertains to major alteration or major repairs to aircraft, aircraft parts or accessories;
- (c) that pertains to the purchase or sale of aircraft, aircraft parts or accessories;

"Loss" means **Physical Damage**.

"Medical Expense" means expenses for necessary medical, surgical, x-ray or dental services, including prosthetic devices, and necessary ambulance, hospital professional nursing and funeral services.

"Mooring" shall mean, while on water, a water alighting **Aircraft** is anchored or moored, or during launching onto or hauling up therefrom (except under its own power or momentum).

"Named Insured" means the person or organization named in Item 1 of the Declarations.

"Occurrence" means an accident, including continuous or repeated exposure to conditions, which results in **Bodily Injury** or **Property Damage** during the policy period neither expected nor intended from the standpoint of the **Insured**. In the event of continuing or progressively deteriorating damage over any length of time, such damage shall be deemed to be one **Occurrence**, and shall be deemed to occur only when such damage first commences.

"Partial Loss" means any **Physical Damage Loss** which is not a **Total Loss**.

"Passenger" means any person in, on, or boarding the **Aircraft** for the purpose of riding or flying therein or alighting therefrom after a flight or attempted flight therein, including **Crew** member(s).

"Physical Damage" means direct and accidental physical **Loss** of or damage to the **Aircraft**, hereinafter called **Loss**, but does not include loss of use or any residual depreciation or diminution in value (including loss of guaranty or warranty), if any, after repairs have been made.

"Pleasure and Business" means used in the business of the **Insured** including personal and pleasure uses but excluding any operation for hire or reward. Cost reimbursement shall be included within the definition of **Pleasure and Business** provided that such cost reimbursement is limited to:

- (1) Fuel, oil, lubricants, and other additives
- (2) Travel expenses of the **Crew**, including food, lodging, and ground transportation
- (3) Hangar and tie-down costs away from the **Aircraft's** base of operation
- (4) Insurance obtained for the specific flight
- (5) Landing fees, airport taxes, and similar assessments
- (6) Customs, foreign permit, and similar fees directly related to the flight

(7) **In Flight** food and beverages

(8) **Passenger** ground transportation

(9) Flight planning and weather contact services

(10) An additional charge equal to 100% of the expenses listed in subparagraph (1) of this paragraph.

"Premises" means such portions of airports as are designated and used for the parking or storage of **Aircraft** exclusive of premises owned by, or leased for more than thirty (30) days to the **Insured**.

"Property Damage", means (a) physical injury to or destruction of tangible property which occurs during the policy period, including loss of use thereof at any time resulting therefrom, or (b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **Occurrence** during the policy period.

"Related Claims" means all claims for care and loss of service, loss of society and consortium, mental anguish, emotional distress, loss of support, medical and funeral expenses, and any and all other damages from or arising out of **Bodily Injury** to any person or **Passenger**. Notwithstanding anything to the contrary in the definition of **Bodily Injury**, the Company's liability and coverage for damages for both **Bodily Injury** and **Related Claims** are included and combined within the "each person" and "each **Occurrence**" Limits of Liability specified in the Declarations, as applicable, and there are no separate or additional Limits of Liability for **Related Claims**.

"Tort Liability" means a liability that would be imposed by law in the absence of any contract or agreement.

"Total Loss" means any **Physical Damage Loss** for which the "cost to repair" when added to the "salvage value" (the value of the **Aircraft** after **Physical Damage** and prior to repairs) equals or exceeds the Insured Value of the **Aircraft** as set forth in Item 4 of the Declarations. **Disappearance** or theft of the entire **Aircraft** shall be considered as a **Total Loss**.

CONDITIONS

APPLICABLE TO COVERAGES A, B, C AND D (BODILY INJURY AND PROPERTY DAMAGE)

1. ACTION AGAINST THE COMPANY

No person or organization has a right under this policy:

- (a) to join the Company as a party or otherwise bring the Company into a suit asking for damages from an **Insured**;
- (b) to sue on this policy unless all of its terms have been fully complied with.

A person or organization may sue the Company to recover on an agreed settlement or on a final judgment against an **Insured** obtained after an actual trial; but the Company will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Company, the **Insured** and the claimant or the claimant's legal representative. Service of process may be made upon the **Aviation Managers** on behalf of the Company. However, the Company does not waive its right to commence an action in any court of competent jurisdiction or to seek a transfer to another court as permitted by law.

2. FINANCIAL RESPONSIBILITY

If this policy is certified as proof of insurance under any governmental financial responsibility law applicable to aircraft, the Company will pay the minimum amounts required by that law which do not exceed the limit of liability of this policy. The **Named Insured** agrees to reimburse the Company promptly for any amounts the Company would not have had to pay were it not for this clause.

3. NOTICE OF OCCURRENCE, LOSS, CLAIM OR SUIT

- (a) The **Named Insured** must see to it that the Company or its **Aviation Managers** are promptly notified in writing at the nearest office, whose address is listed on the back of the policy cover, of an **Occurrence** that may result in a claim. Notice shall include:
 - (1) particulars sufficient enough to identify the **Insured**;
 - (2) how, when and where the **Occurrence** took place;
 - (3) the names and addresses of any injured persons and witnesses.
- (b) If claim is made or suit is brought against the **Insured**, the **Named Insured** must see to it that the Company or its **Aviation Managers** receive prompt written notice of the claim or suit. The **Named Insured** and any other **Insured** involved must:
 - (1) immediately send the **Aviation Managers** copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
 - (2) authorize the Company or its **Aviation Managers** to obtain records and other information;
 - (3) cooperate with the Company or its **Aviation Managers** in the investigation, settlement or defense of the claim or suit;
 - (4) assist the Company or its **Aviation Managers**, upon the **Aviation Managers'** request, in the enforcement of any right against any person or organization which may be liable to the **Insured** because of injury or damage to which the insurance may also apply.
- (c) No **Insureds** will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the Company or its **Aviation Managers'** consent.

4. SEPARATION OF INSUREDS

Except with respect to the Limit of the Company's Liability and any rights and duties specifically assigned in this policy to the first **Named Insured**, this insurance applies:

- (a) as if each **Named Insured** were the only **Named Insured**;
- (b) separately to each **Insured** against whom claim is made or suit is brought.

APPLICABLE TO COVERAGE E (MEDICAL EXPENSE)

5. ACTION AGAINST THE COMPANY

No person or organization has the right under this policy to sue on this policy unless all of its terms have been fully complied with and until thirty (30) days after the required proofs of claim have been filed with the Company.

6. MEDICAL REPORTS: PROOF AND PAYMENT OF CLAIM

- (a) The injured person or someone on his or her behalf, as soon as practical after an accident, must give the **Aviation Managers** written proof of claim and if requested by the **Aviation Managers**:
 - (1) provide his or her sworn statement under oath;
 - (2) authorize the **Aviation Managers** to obtain medical reports and copies of records;
 - (3) submit to physical examination by a physician selected by the **Aviation Managers**, when and as often as the **Aviation Managers** may reasonably require.
- (b) The Company may pay the injured person or any person or organization rendering the services and such payment:
 - (1) shall reduce the amount payable hereunder for the injury;
 - (2) shall not constitute admission of liability by an **Insured**, or the **Aviation Managers**.

APPLICABLE TO COVERAGES F, G, AND H (PHYSICAL DAMAGE)

7. ACTION AGAINST THE COMPANY AND PAYMENT OF LOSS

The Company does not have to pay, and the **Named Insured** does not have the right to sue on this policy, unless all of its terms have been fully complied with and until thirty (30) days after the required proofs of loss have been filed with the Company and the amount of **Loss** is determined as provided by the policy, nor at all unless commenced within twelve (12) months after the date of the **Loss**.

8. APPRAISAL OF LOSS

If the **Named Insured** and the Company fail to agree as to the amount of **Loss**, each shall, upon written notice to the other, hire at its own expense an independent aircraft appraiser. The appraisers will then agree on a knowledgeable and neutral umpire. If they cannot agree on the umpire in fifteen (15) days, a Judge of the county of the pending appraisal will appoint the umpire. Agreement by any two of these three shall determine the amount of **Loss**. The **Named Insured** and the Company will share the umpire's cost equally. But this clause shall not deprive or waive any rights of the Company.

9. AUTOMATIC REINSTATEMENT

In the event of **Loss**, whether or not covered by this policy, the amount of insurance in respect to any **Aircraft** shall be reduced as of the time and date of **Loss** by the amount of such **Loss** and such reduced value shall continue until repairs are commenced when the amount of insurance shall be automatically increased by the value of the completed repairs until the amount of insurance is fully reinstated or the policy has expired.

10. INSURED'S DUTIES WHEN LOSS OCCURS

When **Loss** occurs, the **Insured** shall:

- (a) take all reasonable precautions to protect the property or **Aircraft** after an **Occurrence**. The Company shall reimburse the **Insured** all reasonable cost in affording such protection;
- (b) not abandon the property or **Aircraft**;

- (c) immediately contact the **Aviation Managers** and provide prompt written notice at the address appearing on the back of the policy cover, including the:
 - (1) time, place and description of events;
 - (2) description and location of the **Aircraft**;
- (d) promptly report theft and vandalism to the **Aviation Managers** and local police;
- (e) do nothing after the **Loss** to harm the Company or **Aviation Managers** rights of recovery against any person or organization;
- (f) allow the Company or **Aviation Managers** to inspect the property;
- (g) submit to examination under oath if requested by the Company or **Aviation Managers**;
- (h) allow the Company or **Aviation Managers** to inspect all aircraft records, pilot logbooks, repair and service invoices, sales receipts and any other pertinent records until settlement of the **Loss**;
- (i) file proof of loss with the **Aviation Managers** within sixty (60) days after the date of **Loss**, in the form of a sworn statement to include:
 - (1) the interest of the **Named Insured** and of all others in the property affected;
 - (2) any encumbrances thereon;
 - (3) the actual cash value of the property at the time of the **Loss**;
 - (4) the amount, place, time and cause of such **Loss**;
 - (5) the description and amounts of all other insurance covering such property;unless such time is extended in writing by the the Company or its **Aviation Managers**.

11. NO BENEFIT TO BAILEE

The insurance afforded by this policy shall not inure directly or indirectly to the benefit of any carrier or bailee liable for **Loss** to the **Aircraft**.

12. NO RETURN PREMIUM IN THE EVENT OF TOTAL LOSS

The Company or **Aviation Managers** shall not be liable for any return **Physical Damage** premium in respect to any **Aircraft** on which a **Total Loss** has been paid.

APPLICABLE TO ALL COVERAGES

13. ASSISTANCE AND COOPERATION OF THE INSURED

The **Insured** shall cooperate with the Company and, upon the Company's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits. The **Insured** shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of an **Occurrence**.

14. **BANKRUPTCY**

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of any of its obligations hereunder.

15. **CANCELLATION**

- (a) The first **Named Insured** shown in the Declarations may cancel this policy by mailing or delivering to the Company or **Aviation Managers** advance written notice of cancellation.
- (b) The Company or **Aviation Managers** may cancel this policy by mailing or delivering to the first **Named Insured** written notice of cancellation at least:
 - (1) ten (10) days before the effective date of cancellation if the Company or **Aviation Managers** cancel for non-payment of premium; or
 - (2) thirty (30) days before the effective date of cancellation if the Company or **Aviation Managers** cancel for any other reason.
- (c) The Company or **Aviation Managers** will mail or deliver notice to the first **Named Insured's** last mailing address known to the Company or **Aviation Managers**.
- (d) If this policy is cancelled, the **Aviation Managers** will return any premium refund due. If the Company or **Aviation Managers** cancel, the refund will be pro rata. If the first **Named Insured** cancels, the refund may be less than pro rata. The cancellation will be effective even if **Aviation Managers** have not made or offered a refund. The return premium shall be subject to Condition 12.
- (e) If notice is mailed, proof of mailing will be sufficient proof of notice.

16. **CHANGING THE POLICY**

This policy contains all the agreements between the **Named Insured** and the Company concerning the insurance that is afforded. The first **Named Insured** shown in the Declarations is authorized to make changes in the terms of this policy with the **Aviation Managers** consent. This policy's terms can be amended or waived only by endorsement signed and issued by the **Aviation Managers** and made a part of this policy.

17. **EXAMINATION OF INSURED'S BOOKS AND RECORDS**

The Company or **Aviation Managers** may examine and audit the **Insured's** books and records as they relate to this policy at any time during the policy period and up to three (3) years afterward.

18. **FRAUD OR MISREPRESENTATION**

This policy shall be void if the **Named Insured** has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof or in case of any fraud, attempted fraud or false swearing by the **Named Insured** touching any matter relating to this insurance or the subject thereof, whether before or after a **Loss**.

19. **INSPECTION AND SURVEYS**

The Company or **Aviation Managers** have the right but are not obligated to:

- (a) make inspections and surveys at any time;
- (b) give the **Named Insured** reports on the conditions found;
- (c) recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Company or **Aviation Managers** do not make safety inspections. The Company or **Aviation Managers** do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And the Company or **Aviation Managers** do not warrant that conditions:

- (1) are safe and healthful;
- (2) comply with laws, regulations, codes or standards.

This condition applies not only to the Company or **Aviation Managers**, but also to any rating, advisory, rate service or similar organization that make insurance inspections, surveys, reports or recommendations.

20. NONRENEWAL

If the Company decides not to renew this coverage, the **Aviation Managers** will mail or deliver to the first **Named Insured** shown in the Declarations written notice of the nonrenewal not less than thirty (30) days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

21. PREMIUMS

The first **Named Insured** shown in the Declarations is responsible for the payment of all premiums.

22. REPRESENTATIONS

By accepting this policy, the **Named Insured** agrees:

- (a) the statements in the Declarations are accurate and complete;
- (b) those statements are based upon representations of the **Named Insured** to the Company and/or **Aviation Managers**;
- (c) the **Aviation Managers** have issued this policy in reliance upon the **Named Insured's** representations.

23. STATE STATUTES

If the terms of this policy are in conflict with or inconsistent with the statutes of any state where this policy is in effect, the Company will conform to those state statutes.

24. SUBROGATION

If the **Insured** has rights to recover all or part of any payment the Company has made under this policy, those rights are transferred to the Company. The **Insured** must do nothing after **Loss** to impair them. At the request of the Company or **Aviation Managers**, the **Insured** will bring suit or transfer those rights to the Company and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after a **Loss** to prejudice such rights. This condition shall not apply with respect to Coverage E - **Medical Expense**.

25. TITLES OF PARAGRAPHS

The titles of the various paragraphs of this policy and amendments, if any, attached to this policy are inserted solely for reference and are not to be deemed in any way to limit or affect the provision to which they relate.

26. TRANSFER OF THE NAMED INSURED'S RIGHTS AND DUTIES UNDER THIS POLICY

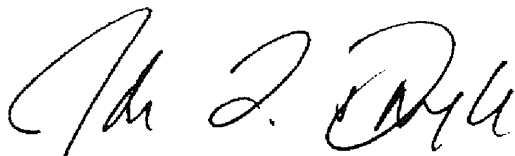
The **Named Insured's** rights and duties under this policy may not be transferred without the **Aviation Managers** written consent except in the case of the death or bankruptcy of an individual **Named Insured**.

If such individual **Named Insured** dies or is adjudged bankrupt or insolvent, his or her rights and duties will be transferred to the **Named Insured's** legal representative but only while acting within the scope of duties as such. Until the **Named Insured's** legal representative is appointed, anyone having proper temporary custody of the **Named Insured's** property will have such **Named Insured's** rights and duties but only with respect to that property, but in no event for more than sixty (60) days following such death or adjudication.

27. VIOLATION OF STATUTE CLAUSE

If coverage for a claim under this policy is in violation of any United States of America's economic or trade sanctions, including but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), then coverage for that claim shall be null and void.

By signing below, the President and Secretary of the Insurer agree on behalf of the Insurer to all the terms of this policy.



President



Secretary

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

This policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer on the Declarations page of the policy.